Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

83D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 2490

MUTUAL SECURITY APPROPRIATION BILL, 1955

JULY 24, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 10051]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Mutual Security for the fiscal year ending June 30, 1955.

GENERAL COMMENTS

In presenting this bill to the House, the Committee was faced with a problem of no authorizing legislation. A bill providing that authorization passed the House on June 30. It was reported to the Senate by the Committees on Foreign Relations and Armed Services, respectively, on July 13 and July 16. Nonetheless, the Committee was provided with a budget estimate on July 13. Under the circumstances the Committee had no alternative but to take as a basis for providing funds, the lowest pending figure, that is as between the House bill, the Senate Committee action and the budget estimates. In some cases one was lower and in other cases another was lower.

The following tabulation shows the base, consisting of the minimum amounts thus far approved by either the House, the Senate Committee, or the Bureau of the Budget, for each item of appropriation utilized by the Committee in making its recommendations.

Comparative statement of base for 1955 and amounts recommended in bill for 1955

[Unobligated balances as reported by FOA]

Items	Source of base [1]	Base, 1955	Recommended in bill, 1955	Comparison with base
MILITARY ASSISTANCE				
General military assistance:				
Appropriation	S	$1,265,300,000	$1,265,300,000	
Unobligated balance		2,472,567,283	2,207,087,729	−$265,479,554
Total		3,737,867,283	3,472,387,729	−265,479,554
Infrastructure:				
Appropriation	B	122,700,000	76,000,000	−46,700,000
Unobligated balance		39,000,000	39,000,000	
Total		161,700,000	115,000,000	−46,700,000
Development of weapons of advanced design: Unobligated balance		27,825,000	27,825,000	
Total, military assistance:				
Appropriation		1,388,000,000	1,341,300,000	−46,700,000
Unobligated balance		2,539,392,283	2,273,912,729	−265,479,554
Total		3,927,392,283	3,615,212,729	−312,179,554
DIRECT FORCES SUPPORT				
Southeast Asia and Western Pacific	S	712,000,000	712,000,000	
Common-use items	S	64,000,000	64,000,000	
Total, direct forces support		776,000,000	776,000,000	
DEFENSE SUPPORT				
Europe (excluding Greece and Turkey)	H	70,000,000	70,000,000	
Near East, Africa, and south Asia (including Greece and Turkey)	S	73,000,000	73,000,000	
Far East and Pacific	S	86,230,195	86,000,000	−230,195
Korean program	S	205,000,000	200,000,000	−5,000,000
United Nations Korean Reconstruction Agency:				
Appropriation	S B	3,452,615	3,000,000	−452,615
Unobligated balance		18,547,385	15,000,000	−3,547,385
Total		22,000,000	18,000,000	−4,000,000
Total, defense support:				
Appropriation		437,682,810	432,000,000	−5,682,810
Unobligated balance		18,547,385	15,000,000	−3,547,385
Total		456,230,195	447,000,000	−9,230,195
DEVELOPMENT ASSISTANCE				
Near East and Africa	S	115,000,000	115,000,000	
South Asia (India)	S	76,000,000	60,500,000	−15,500,000
American Republics	H S B	9,000,000	9,000,000	
Total, development assistance		200,000,000	184,500,000	−15,500,000
TECHNICAL COOPERATION				
General authorization	H S B	$112,070,000	$100,000,000	−$12,070,000
United Nations technical assistance	H S B	17,958,000		−17,958,000
Organization of American States	H S B	1,500,000	1,500,000	
Total, technical cooperation	H S B	131,528,000	101,500,000	−30,028,000

See footnote at end of table, p. 3.

Comparative statement of base for 1955 and amounts recommended in bill for 1955—Continued

Items	Source of base [1]	Base, 1955	Recommended in bill, 1955	Comparison with base
OTHER PROGRAMS				
Intergovernmental Committee for European Migration:				
Appropriation	S	$11,189,190	$10,000,000	−$1,189,190
Unobligated balance		510,810	500,000	−10,810
Total		11,700,000	10,500,000	−1,200,000
United Nations Refugee Emergency Fund	H S B	500,000		−500,000
United Nations Children's Fund	H S B	13,500,000	12,000,000	−1,500,000
Palestine Refugees in Near East: Unobligated balance	H S B	23,063,250	23,063,250	
North Atlantic Treaty Organization	H S B	3,200,000	3,169,000	−31,000
Ocean freight charges	H S B	4,400,000	4,400,000	
Control Act expenses	H S B	1,300,000	1,075,000	−225,000
Strategic materials: Unobligated balance		570,000		−570,000
Administrative expenses	S B	34,700,000	30,000,000	−4,700,000
Total, other programs:				
Appropriations		68,789,190	60,644,000	−8,145,190
Unobligated balance		24,144,060	23,563,250	−580,810
Total		92,933,250	84,207,250	−8,726,000
Total, mutual security:				
Appropriations		3,002,000,000	2,895,944,000	−106,056,000
Unobligated balance		2,582,083,728	2,312,475,979	−269,607,749
Total		5,584,083,728	5,208,419,979	−375,663,749

[1] H—House authorization.
S—Senate Foreign Relations Committee recommendation.
B—Budget estimate.

Summary of Bill

The estimate of appropriations for the programs covered by the Mutual Security Act of 1954, as submitted to the Congress on July 13 (House Doc. No. 474), totals $3,438,549,805. In addition, the estimate includes language to continue the availability of all balances remaining unexpended as of June 30, 1954.

Appropriations totaling $2,895,944,000 are recommended for 1955, a reduction of $542,605,805 in the Budget estimates. In addition to the appropriations recommended, a total of $2,312,475,979 of unobligated funds are continued available, a reduction of $269,607,749 in the estimated balances reported as unobligated on June 30.

The following tabulation summarizes the above figures by major program, showing total availability for 1954 and amounts recommended in both new appropriation authority and unobligated carryover for 1955:

Item	Available, 1954	Estimates, 1955 [1]	Recommended, 1955	Bill compared with—	
				Available, 1954	Estimates, 1955
Military assistance:					
Appropriation	(2)	$1,580,000,000	$1,341,300,000		−$238,700,000
Unobligated balance	(2)	2,539,392,283	2,273,912,729		−265,479,554
Total	$4,419,416,947	4,119,392,283	3,615,212,729	−$804,204,218	−504,179,554
Direct forces support	979,581,564	945,000,000	776,000,000	−203,581,564	−169,000,000
Defense support:					
Appropriation	(2)	489,232,615	432,000,000		−57,232,615
Unobligated balance	(2)	18,547,385	15,000,000		−3,547,385
Total	720,767,687	507,780,000	447,000,000	−273,767,687	−60,780,000
Development assistance	302,355,500	224,000,000	184,500,000	−117,855,500	−39,500,000
Technical cooperation	107,454,161	131,528,000	101,500,000	−5,954,161	−30,028,000
Other programs:					
Appropriation	(2)	68,789,190	60,644,000		−8,145,190
Unobligated balance	(2)	24,144,060	23,563,250		−580,810
Total	389,996,448	92,933,250	84,207,250	−305,789,198	−8,726,000
Total, Mutual Security:					
Appropriation	4,531,507,000	3,438,549,805	2,895,944,000	−1,635,563,000	−542,605,805
Unobligated balance	2,388,065,307	2,582,083,728	2,312,475,979	−75,589,328	−269,607,749
Total	6,919,572,307	6,020,633,533	5,208,419,979	−1,711,152,328	−812,213,554

[1] Budget estimates of new appropriations, and unobligated balances as reported by FOA.
[2] Distribution of program figures between appropriation and unobligated balances not available.

Validity of Outstanding Obligations

In addition to new appropriations, the estimates presented to the Committee contained language recommending reappropriation of *unexpended* balances, estimated by FOA to be approximately $9.979 billion at June 30, 1954 of which $7.397 billion is reported as obligated and $2.582 billion is unobligated and available for use in 1955. The necessity for having available sound obligation information as a basis for making a proper determination on appropriation requirements in addition to carry-over funds goes without saying. In an effort to secure some degree of understanding of the reliability of the reported carry-over amounts, the Committee staff was directed to work with the General Accounting Office on an analysis of the figures. This test involves visiting the various locations both in the United States and overseas where records are available and examining the details of individual obligating documents to determine the validity of items reported. It has already been determined that questionable practices, involving substantial sums, are being followed in the classification and recording of transactions as obligations. They range all the way from plain clerical errors ($47,800,000) to amounts exceeding limitations stated in letters of intent not yet converted to definitive contracts. Substantial sums are included for lump-sum contingent amounts contained in contracts for spares, spare parts, engineering changes, and the like for which there are no definitized orders and which appear to amount in effect to nothing more than an administrative reservation of funds against possible future purchases. Contracts entered into in 1951 and earlier years, practically dormant for many months, are also included. There are other categories of questionable firmness such as cancelled orders not yet removed from the books, excessive cost estimates, lower stock prices promulgated subsequent to the original requisitions, etc. The conditions found closely parallel those reported in March 1954 by the Comptroller General on obligations for regular aircraft procurement funds in the Navy and Air Force.

Similar tests were made of selected obligations reported as of May 31 under non-military programs. Many instances were found of outstanding obligations with considerable age which were possibly out of date as well as many instances where there was a direct question of validity from a standpoint of legality and firmness.

While the magnitude of the job is such as to require more time than has been available for a complete analysis, and the Committee therefore is not in position to state with any degree of exactness the total amounts which may be involved, the facts developed to date indicate a very serious situation. The analysis is continuing and the Acting Comptroller General has already written a letter to the FOA indicating that it will be necessary for his office to review the obligating procedures being followed. This will include review of current use of so-called procurement and technical assistance authorizations as basis for recording obligations under several of the programs. The 1949 decision of the Comptroller General, governing use of such documents as basis for obligating appropriations—on which the agency has relied for much of its fiscal policy—has in practice been stretched to the point where fiscal reports are far from the realities

and serve only as another example of the need for a clean cut definition of obligations such as set out in Section 1111 of the Supplemental Appropriations Bill now pending.

Under the eireumstances the Committee, in order that the Congress may retain some semblanee of eontrol of amounts available, is left with no ehoiee but to limit the reappropriations to specified portions of reported *unobligated* balances.

Accounting Records and Practices

The Committee on Appropriations must have sound obligation data against past appropriations as a basis for determining future requirements. It is impossible to secure such data from accounting systems and obligating praetices under which the mutual seeurity program has been operating. The unreliability of fiscal data flowing therefrom has become legendary not only in the Committee on Appropriations but in other committees concerned with the work of the agency. This condition eannot be permitted to continue and the General Accounting Office must assume responsibility for leadership for straightening out the situation. The Committee on Appropriations will expect to be advised by the Comptroller General of any failure of cooperation. The job will be faeilitated by enactment of Section 1111 of the Supplemental Bill defining what shall be considered as an obligation.

As to the accounting problem, perhaps the most serious deficiency is that there are three separate financial control systems in effeet, each with its own peculiarities inherited from one of the three agencies brought together under FOA. Another weakness is that financial reports are not directly related to the official accounting records. Numerous changes, deletions, and additions are made to figures taken from the official records based on bits and· pieces of information handled in a very informal manner and to some extent on personal knowledge and reeolleetion of persons preparing the reports. What is needed is a sound integrated system from whieh finaneial reports can be taken directly.

Chaotic Situation in Old Accounts

The Departments of the Army and Air Force are carrying, in apparently what amounts to memorandum form, so-called "equity" accounts representing the value of eertain equipment, materials, and services paid for from military assistance funds but diverted in years past to other uses and not yet replaced. The Navy reports no suehaccounts. Future shipments from stoek or new procurement without reimbursement from MDAP funds would eventually wipe out the unmet balanees. It all sounds very simple but in fact is quite complicated, particularly in the Army, which, though it has an unmet MDAP equity aecount balance for the cost categories which generated the equities, reports that on an overall basis deliveries for MDAP purposes exceed expenditures from MDAP allocations by some $500 million. This is an equity in the other direction. Undoubtedly the chaotic condition of records with respect to the Army Management Fund, discussed in the Committee's report on the defense appropriation bill for 1954, is mixed up in the picture.

Essential to proper evaluation of the status of the MDAP program is an accurate picture of deliveries, expenditures, and balances in respect of prior appropriations. Unless something is done to clean up the muddle the confusion will probably go on indefinitely.

The General Accounting Office working in conjunction with the Foreign Operations Administration and the Department of Defense is directed to effect a disposition of all these old accounts and to report to the Committee thereon before the next session of Congress.

June Buying

Examination of rates of obligation in fiscal year 1954 under several mutual security appropriations disclosed amounts for June 1954 so high as to be far above and beyond any normal relationship to rates of prior months. From an analysis of the underlying details, including examination of a number of specific documents forming the basis for such amounts, the Committee can only conclude that there was a deliberate effort to tie-up or dispose of available funds before the June 30 deadline. The finger points clearly to various forms of "June buying" to get rid of "hot money" as basis for support of 1955 requests, a practice long condemned by the Committee and on which, as late as April 26, the Director of the Budget issued a directive to agencies cautioning against such practice late in the fiscal year.

For example, June obligations for procurement authorizations under the European economic aid item were $153 millions out of a total available of about $300 millions. Many of the procurement authorizations on which these reported obligations are based do not even call for contracts to be executed before June 30, 1954, the date the appropriation expired for obligational purposes. This sort of practice late in the year accentuates the forward financing on these temporary programs and thus tends to lessen the effectiveness of annual review and control and limit the area of determination on the programs by the Congress.

In the 1954 Korean rehabilitation appropriation of $200 million, approximately $116 million was reported as obligated through May. June obligations were reported at $82.8 million—about 41 percent of the total for the whole year. The Committee made a careful analysis of each individual June obligation document and found that 44 out of 47 stipulated a contracting date extending beyond June 30, 1954. Evidence of a firm contract could be found on only one in the sum of $29,000,000. Several items represent only authorizations to other United States Government agencies to proceed with contracting.

One transaction, though small, seems to be typical of the attitude of the agency. On the last day of the fiscal year, June 30, 1954, the Controller's office issued an allotment of funds against which was charged, on the same day, a purchase order for $72,500 for various items of office equipment, including 600 waste paper baskets.

With the knowledge in FOA that available administrative funds were not all planned for use, there being a forecasted balance of about $1.2 million, the Committee has little choice but to conclude that this was a flagrant and deliberate case of taking advantage of unused funds before midnight of June 30. It is another of those cases where not only the Treasury but the confidence so essential to our whole process of handling public funds suffers.

A provision limiting obligations of available funds to 20 percent for the last two months of the fiscal year is included under general provisions of the bill. This same provision has been included in appropriation acts for the Department of Defense during the past two years.

Military Assistance

The bill includes $1,341,300,000 in new money for general military assistance, which is intended to cover the same area requirements provided for in the fiscal year 1954 Act. This is a reduction of $238,700,000 in the Budget estimate of $1,580,000,000 and is $1,888,700,000 under the total appropriated for fiscal year 1954. Of the amount recommended $1,265,300,000 is for direct military assistance, including military training and administration of the military program, and $76,000,000 is for infrastructure, which represents the estimated United States contribution to the construction of NATO air and naval bases, communications systems, etc. The amount of $27,000,000 requested for development of special weapons abroad has been deleted inasmuch as no provision was made for this item in the authorizing legislation as passed by the House.

In addition to requested appropriations of $1,580,000,000 the Budget estimate contained language to continue available all balances remaining unexpended as of June 30, 1954. The Committee, however, is only continuing available the amount of $2,273,912,729 of the total of $2,539,392,283 reported as unobligated as of June 30, 1954, or a reduction of $265,479,554. Such balances as have been obligated but remain unexpended are continued available for expenditure purposes without action by the Congress. The total made available for obligation in 1955 for military assistance, therefore, is $1,341,300,000 in new appropriations and $2,273,912,729 in previously appropriated but unobligated funds, or a total of $3,615,212,729, excluding the amount of $712,000,000 authorized and recommended for Southeast Asia and the Western Pacific.

PRIOR FUNDING

The total appropriated for military assistance since inception of the aid program is approximately $19.7 billion. If the amount of over $1.3 billion recommended for 1955 is enacted into law the total will exceed $21 billion. Of this amount, as heretofore indicated, the amount of nearly $2.5 billion is reported as unobligated as of the end of fiscal year 1954. The amount estimated to be unexpended as of June 30, 1954, is approximately $8.2 billion.

DELIVERIES

The total value of deliveries of military equipment and supplies, as reported through April 30, 1954, is approximately $8.8 billion, of which $735 million was from stocks considered excess to our own military requirements. There still remains to be shipped under the program funded through June 30, 1954, an estimated $6.275 billion of equipment and supplies. Deliveries during 1955 are estimated to approximate $3.1 billion.

OFFSHORE PROCUREMENT

The total programed to date for offshore procurement is approximately $2.2 billion. The amount planned for this activity in 1955 is $300 million. The purposes of this program are well understood by the Committee and the program should be continued in the interest of mutual defense, both from the standpoint of pricing and development of defense capabilities of our allies. However, it is the feeling of the Committee that in the past some phases of this program were embarked upon without full consideration having been given to the maintenance of a desired mobilization base in this country. It will be advantageous to continue to procure many items outside the United States, particularly certain ammunition. However, the program, both current and proposed, should be closely reviewed with the view of a more strict application of conditions governing such procurement, as stated in section 103 (c) of the authorizing legislation.

Direct Forces Support

The Committee was advised that programs within this classification are designed to give the military establishments of certain countries direct support in addition to the military assistance these countries are receiving. These programs provide, or finance the provision of specific supplies, equipment and services which go directly into the hands of, or otherwise immediately benefit military forces, but which either are of a kind not provided, or are financed or administered in a manner different from military assistance.

Southeast Asia and the Western Pacific.—The Committee recommends $712,000,000 for assistance authorized by Section 121, for Southeast Asia and the Western Pacific. The amount allowed is the same as that reported out by the Senate Foreign Relations Committee. The budget estimate, which was the same as the amount as passed by the House of Representatives was $800,000,000.

The direct appropriation for this item for fiscal year 1954 was $400,000,000, but when transfers are taken into consideration the total available during fiscal year 1954 was $745,000,000.

In view of the developments in this area after the completion of the regular hearings on this bill, the Committee heard additional testimony from Secretary of State Dulles and Director Stassen who both emphasized the continued necessity of these funds for this general area.

Production for forces support.—The budget request of $75,000,000 for this item is not allowed inasmuch as the authorization for this request was eliminated by the House of Representatives.

Common use items.—The bill includes $64,000,000 for assistance authorized by section 123 of the Mutual Security Act of 1954, which is to assist countries such as Turkey and Formosa to obtain certain items for the use of their military forces. The amount allowed is the same as that recommended by the Senate Foreign Relations Committee. The budget estimate, which is the same as was approved in the House, was $70,000,000. No direct appropriation was made for this item for fiscal year 1954, however, the amount made available for this purpose during the last fiscal year was $64,581,564.

Defense Support

The Committee was advised that Defense Support differs from Direct Forces Support in the following respect: Although both forms of assistance are designed to make possible the creation or maintenance of a certain level of military forces, Direct Forces Support does so by providing, or paying for, goods or services that physically reach or benefit the forces involved, whereas, Defense Support contributes to this objective more indirectly through providing resources which either enable the recipient country to maintain a level of defense expenditures or undertake defense activities that would otherwise not be possible, or increase the recipients' capacity to do so in the future.

Defense support, Europe.—The bill includes $70,000,000 for assistance authorized by section 131 (b) (1) for Spain, Yugoslavia, and West Berlin. The amount recommended is the amount approved by the House of Representatives in the authorization bill for Defense support, Europe and Special Assistance in Joint Control Areas. The Senate Foreign Relations Committee has recommended $71,000,000. The budget estimate was $77,500,000. The amount available for the last fiscal year for this item was $185,776,073.

Defense support, Near East, Africa and South Asia.—The bill includes $73,000,000 for assistance authorized by Section 131 (b) (2), for Greece, Pakistan, and Turkey. The amount provided is the total recommended by the Senate Foreign Relations Committee. The authorization as passed by the House was $81,850,000, which was the amount of the budget request. The amount available for the last fiscal year was $83,636,809.

Defense support, Far East and the Pacific.—There is included in the bill $86,000,000 for assistance authorized by section 131 (b) (3) for Formosa, Philippines and Indo-China. The amount allowed is $230,195 below the amount recommended by the Senate Foreign Relations Committee. The budget estimate was $96,430,000, the same as the total authorized by the House bill. The amount available for this item in fiscal year 1954 was $120,401,596.

Korean program.—The committee recommends $200,000,000 for the United States program in Korea for the fiscal year 1955. This amount is $5,000,000 below the recommendation of the Senate Foreign Relations Committee, and $30,000,000 below the budget estimate, and the House authorization bill. There was a total of $289,253,209 available for this program during fiscal year 1954. Of that amount, $200,000,000 was derived from funds appropriated to the Defense Department.

Contributions to United Nations Korean Reconstruction Agency.—The sum of $3,000,000 in new appropriations and not to exceed $15,000,000 of unobligated balances is included for this agency. This represents a reduction of $4,000,000 in the request of which $452,615 is a reduction in the new appropriation and the balance is in the unobligated funds.

The Committee recognizes the importance of this program, but is of the opinion that only one agency should be carrying on this work in order that duplication of both program and overhead may be eliminated.

Development Assistance

The objective of this program is to maintain economic and political stability in those countries concerned. In most areas, it supplements

Technical Cooperation programs by providing supplies, equipment, and funds for related economic development projects. Those activities heretofore designated as "special economic aid" are included under this heading for 1955.

The Committee recommends a total of $184,500,000 for this purpose, $115,000,000 for the countries of the Near East and Africa, $60,500,000 for India, and $9,000,000 for Bolivia. This is a reduction of $117,855,500 below funds available for 1954, and is $39,500,000 less than the budget estimates. The sum recommended will provide funds for the Near East and Africa in the amount contained in the authorizing bill as reported to the Senate. It will also provide the same level of assistance for India as was authorized for 1954, and will cover a larger program to meet current economic problems in Bolivia.

Technical Cooperation

The programs financed by this portion of the bill are intended to share the knowledge, experience, techniques and skills of the United States with the less developed countries of the world for the purpose of improving economic conditions and increasing standards of living. This heading includes those activities formerly designated as "Technical Assistance" or "Point IV Program". It also includes U. S. contributions to the technical assistance programs of the Organization of American States (OAS) and the United Nations (UNTA).

A total of $101,500,000 is recommended for this purpose, $100,000,000 for U. S. bilateral technical assistance and $1,500,000 for the program of the Organization of American States. The funds approved provide a moderate increase of $2,045,839 for the U. S. bilateral program for 1955. In view of the importance of the program in Latin America, an additional $500,000 over 1954 is recommended for the technical assistance work of the Organization of American States.

Other Programs

Intergovernmental Committee for European Migration.—This program seeks to promote increased movements of European migrants to overseas countries where they might become self-dependent. It has previously been known as the "Movement of Migrants" program.

A total of $10,500,000 is approved for 1955, $10,000,000 through new appropriation authority and $500,000 through the reappropriation of unobligated prior year funds. An increase of $3,000,000 is recommended to cover an estimated increase of 30% in the number of migrants proposed to be moved during the coming year.

United Nations Refugee Emergency Fund.—The Budget for 1955 proposes that, for the first time, the United States make a contribution of $500,000 to the Urited Nation's Refugee Emergency Fund (UNREF) for calendar year 1954. No funds are recommended by the Committee, in view of the large number of organizations in this field already receiving U. S. financial support.

United Nations Children's Fund.—There is included in the bill $12,000,000, a decrease of $1,500,000 in the budget estimate, and an increase of $2,185,667 over the amount appropriated in fiscal year 1954 for this item.

The amount allowed is to cover total United States contributions for the 18 months period through June 30, 1955. Inasmuch as the

conference report in connection with this item was ignored last year, the committee has placed language in the bill to this effect.

United Nations Relief and Works Agency.—This activity is frequently designated as the "Palestine refugee program". The Arab refugees from Palestine continue to be a problem in the Near East and surrounding areas. They are supported at subsistence levels by the United Nations Relief and Works Agency (UNRWA).

The budget request for reappropriation of the unobligated balance of $23,063,250 of 1954 funds is approved.

North Atlantic Treaty Organization.—There is included in the bill $3,169,000 for this item, a reduction of $31,000 in the budget estimate. Of the amount allowed $2,000,000 is to meet the United States' share of the cost of construction of a permanent headquarters building for NATO in Paris. It is expected that counterpart funds or other foreign credits owed to or owned by the United States Treasury will be purchased to pay for our share of the cost of the building. The amount allowed for expenses other than the building, $1,169,000, is the same amount as for fiscal year 1954.

Ocean Freight Charges.—Under this program, funds are provided to cover the transportation costs on relief supplies shipped by eligible American voluntary relief agencies to certain foreign countries. At present 27 voluntary agencies are participating in the program in thirteen countries.

The full budget estimate of $4,400,000 is provided for this purpose for 1955, in view of the fact that the Federal Government is committed to meet these costs to the extent such relief shipments are made. A total of $7,325,000 was expended for this program in fiscal year 1954.

Control Act expenses.—The bill includes $1,075,000 for this item, a reduction of $225,000 in the budget estimate. The amount allowed is approximately the same as was obligated during the fiscal year 1954.

Administrative Expenses

The Committee recommends $22,500,000 for expenses of administering title I military assistance funds. This is $3,300,000 less than the request but $1,684,000 above 1954 estimated obligations of $20,816,000 to allow for expenses of setting up military assistance advisory groups (MAAG) in additional countries recently qualifying or expected to qualify for military assistance. For all other administrative expenses (principally FOA), the sum of $30,000,000 is recommended. This is $4,700,000 below the request and $4,152,351 below the 1954 amount.

Aside from expenses entailed in setting up additional military assistance groups in countries just coming into the program, it would seem that the program has been underway long enough to reach the point where less administrative overhead is required. The Committee also has some doubts about the necessity for some portions of the very substantial amount of $13,187,970 estimated to go to the Department of State for administrative support, the United States Regional Office in Paris (USRO), and so-called program policy review both departmentally and in the foreign service. There are signs of overlapping and too many layers of such high-sounding but low-substance efforts as "policy review", "coordination", and the like.

It was impossible to obtain a reliable set of obligation figures on administrative expenses for 1954. Four sets of figures—all differing—were supplied for obligations in the first quarter of 1954 which ended

nine months ago. Four differing figures were obtained as to estimated June 1954 obligations. Five differing figures were available as to "actual" obligations through April 30. Some of these were "based on accounting records", others were stated to be "adjusted—revised". Obligations supplied for each of the months in the first quarter of fiscal year 1954 were identical in amount. Inquiry disclosed that this was an arbitrary spread of the total equally to the three months since statements were not issued for July and August. The accounting work in those months got so far in arrears that FOA was forced to contract with an outside accounting firm to furnish additional clerical assistance for a period of 3 months to handle the backlog. FOA had cut its central accounting personnel from 66 in July 1953 to 39 by December, and needed help to get the mess cleaned up. Employment in this area was back up to 54 by May 1954.

At one point in the hearings the FOA Controller explained the variations in figures on administrative expenses this way:

Mr. MURPHY. It depends on the basis on which the information is requested. The budgeteer normally tries, in establishing a trend, to take the peak obligations and spread them over the period covered by the service involved so he may arrive at *a monthly figure that would be unrecognizable from any books of account.* I think it is very important that adjustments be made in the figures. [Italics supplied.]

This kind of fiscal irresponsibility must end and the Congress must be supplied with clear information as to the status of funds appropriated.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 6, in connection with section 102 of "General Provisions":

payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955;

On page 9, in connection with "General Provisions":

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act and, notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953.

On page 11, in connection with "General Provisions":

SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

MUTUAL SECURITY

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in bill for 1955

	Appropriations, 1954	Estimates, 1955	Recommended in bill, 1955	Bill compared with—	
				Appropriations, 1954	Estimates, 1955
MILITARY ASSISTANCE					
General military assistance	----------	$1, 430, 300, 000	$1, 265, 300, 000	+$1,265,300, 000	−$165, 000, 000
Europe	$1, 860, 000, 000	----------	----------	−1, 860, 000, 000	----------
Near East and Africa	270, 000, 000	----------	----------	−270, 000, 000	----------
Asia and Pacific	1, 035, 000, 000	----------	----------	−1, 035, 000, 000	----------
American Republics	15, 000, 000	----------	----------	−15, 000, 000	----------
Total	3, 180, 000, 000	1, 430, 300, 000	1, 265, 300, 000	−1, 914, 700, 000	−165, 000, 000
Infrastructure	----------	122, 700, 000	76, 000, 000	+76, 000, 000	−46, 700, 000
Development of weapons of advance design (mutual special weapons planning)	50, 000, 000	27, 000, 000	----------	−50, 000, 000	−27, 000, 000
Total, military assistance	3, 230, 000, 000	1, 580, 000, 000	1, 341, 300, 000	−1, 888, 700, 000	−238, 700, 000
DIRECT FORCES SUPPORT					
Southeast Asia and Western Pacific	400, 000, 000	800, 000, 000	712, 000, 000	+312, 000, 000	−88, 000, 000
Production for forces support (manufacturing in United Kingdom)	85, 000, 000	75, 000, 000	----------	−85, 000, 000	−75, 000, 000
Common-use items	----------	70, 000, 000	64, 000, 000	+64, 000, 000	−6, 000, 000
Total, direct forces support	485, 000, 000	945, 000, 000	776, 000, 000	+291, 000, 000	−169, 000, 000

DEFENSE SUPPORT (MUTUAL DEFENSE FINANCING)					
Europe (excluding Greece and Turkey for 1955)	220, 000, 000	77, 500, 000	70, 000, 000	−150. 000, 000	−7, 500, 000
Near East, Africa and South Asia (including Greece and Turkey for 1955)	----------	81, 850, 000	73, 000, 000	+73, 000, 000	−8, 850, 000
Far East and Pacific	----------	96, 430, 000	86, 000, 000	+86, 000, 000	−10, 430, 000
Formosa and Indochina	84, 000, 000	----------	----------	−84, 000, 000	----------
Manufacturing in France	85, 000, 000	----------	----------	−85, 000, 000	----------
Korean program (relief and rehabilitation in Korea)	[1] *200, 000, 000*	230, 000, 000	200, 000, 000	+200, 000, 000	−30, 000, 000
United Nations Korean Reconstruction Agency	50, 700, 000	3, 452, 615	3, 000, 000	−47, 700, 000	−452, 615
Total, defense support	439, 700, 000	489, 232, 615	432, 000, 000	−7, 700, 000	−57, 232, 615
DEVELOPMENT ASSISTANCE (SPECIAL REGIONAL ECONOMIC ASSISTANCE)					
Near East and Africa	147, 000, 000	130, 000, 000	115, 000, 000	−32, 000, 000	−15, 000, 000
South Asia (India)	----------	85, 000, 000	60, 500, 000	+60, 500, 000	−24, 500, 000
India and Pakistan	75, 000, 000	----------	----------	−75, 000, 000	----------
American Republics	----------	9, 000, 000	9, 000, 000	+9, 000, 000	----------
Total, development assistance	222, 000, 000	224, 000, 000	184, 500, 000	−37, 500, 000	−39, 500, 000

[1] Transfer from "Maintenance and operation, Army," $172,000,000; "Ordnance and facilities, Navy," $10,000,000; "Ships and facilities, Navy," $18,000,000.

MUTUAL SECURITY—Continued

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in bill for 1955—Con.

	Appropriations, 1954	Estimates, 1955	Recommended in bill, 1955	Bill compared with—	
				Appropriations, 1954	Estimates, 1955
TECHNICAL COOPERATION					
General authorization	----------	$112, 070, 000	$100, 000, 000	+$100, 000, 000	−$12, 070, 000
Near East and Africa (economic and technical assistance)	$33, 792, 500	----------	----------	−33, 792, 500	----------
Asia and Pacific (economic and technical assistance and defense support)	51, 278, 001	----------	----------	−51, 278, 001	----------
American Republics (technical assistance)	22, 342, 000	----------	----------	−22, 342, 000	----------
United Nation's expanded program of technical assistance (multilateral technical cooperation)	9, 500, 000	17, 958, 000	----------	−9, 500, 000	−17, 958, 000
Organization of American States	----------	1, 500, 000	1, 500, 000	+1, 500, 000	----------
Total, technical cooperation	116, 912, 501	131, 528, 000	101, 500, 000	−15, 412, 501	−30, 028, 000
OTHER PROGRAMS					
Intergovernmental Committee for European Migration (movement of migrants)	7, 500, 000	11, 189, 190	10, 000, 000	+2, 500, 000	−1, 189, 190
United Nations refugee emergency fund	----------	500, 000	----------	----------	−500, 000
United Nations Children's Fund (international children's welfare work)	9, 814, 333	13, 500, 000	12, 000, 000	+2, 185, 667	−1, 500, 000

North Atlantic Treaty Organization	----------	3, 200, 000	3, 169, 000	+3, 169, 000	−31, 000
Ocean freight charges	1, 580, 166	4, 400, 000	4, 400, 000	+2, 819, 834	----------
Control Act expenses	----------	1, 300, 000	1, 075, 000	+1, 075, 000	−225, 000
Administrative expenses (other than defense)	----------	34, 700, 000	30, 000, 000	+30, 000, 000	−4, 700, 000
Strategic materials (basic materials development)	19, 000, 000	----------	----------	−19, 000, 000	----------
Total, other programs	37, 894, 499	68, 789, 190	60, 644, 000	+22, 749, 501	−8, 145, 190
Total, Mutual Security	4, 531, 507, 000	3, 438, 549, 805	2, 895, 944, 000	−1, 635, 563, 000	−542, 605, 805

MUTUAL SECURITY—Continued

Comparative statement of funds available for 1954, estimates for 1955, and amounts recommended in bill for 1955

[Unobligated balances as reported by F. O. A.]

Items	Available, 1954	Estimates, 1955	Recommended in bill, 1955	Bill compared with—	
				Available, 1954	Estimates, 1955
MILITARY ASSISTANCE					
General military assistance:					
Appropriation	(1)	$1,430,300,000	$1,265,300,000		−$165,000,000
Unobligated balance	(1)	2,472,567,283	2,207,087,729		−265,479,554
Total	$4,219,175,234	3,902,867,283	3,472,387,729	−$718,962,505	−430,479,554
Infrastructure:					
Appropriation	(1)	122,700,000	76,000,000		−46,700,000
Unobligated balance	(1)	39,000,000	39,000,000		
Total	150,241,713	161,700,000	115,000,000	−35,241,713	−46,700,000
Development of weapons:					
Appropriation	(1)	27,000,000			−27,000,000
Unobligated balance	(1)	27,825,000	27,825,000		
Total	50,000,000	54,825,000	27,825,000	−50,000,000	−27,000,000
Total, military assistance:					
Appropriation	(1)	1,580,000,000	1,341,300,000		−238,700,000

Unobligated balance	(1)	2, 539, 392, 283	2, 273, 912, [illegible]		−265, 479, 554
Total	4, 419, 416, 947	4, 119, 392, 283	3, 615, 212, 729	−804, 204, 218	−504, 179, 554
DIRECT FORCES SUPPORT					
Southeast Asia and Western Pacific	745, 000, 000	800, 000, 000	712, 000, 000	−33, 000, 000	−88, 000, 000
Production for forces support	170, 000, 000	75, 000, 000		−170, 000, 000	−75, 000, 000
Common-use items	64, 581, 564	70, 000, 000	64, 000, 000	−581, 564	−6, 000, 000
Total, direct forces support	979, 581, 564	945, 000, 000	776, 000, 000	−203, 581, 564	−169, 000, 000
DEFENSE SUPPORT					
Europe	185, 776, 073	77, 500, 000	70, 000, 000	−115, 776, 073	−7, 500, 000
Near East, Africa, and South Asia	83, 636, 809	81, 850, 000	73, 000, 000	−10, 636, 809	−8, 850, 000
Far East and Pacific	120, 401, 596	96, 430, 000	86, 000, 000	−34, 401, 596	−10, 430, 000
Korean program	289, 253, 209	230, 000, 000	200, 000, 000	−89, 253, 209	−30, 000, 000
United Nations Korean Reconstruction Agency:					
Appropriation	(1)	3, 452, 615	3, 000, 000		−452, 615
Unobligated balance	(1)	18, 547, 385	15, 000, 000		−3, 547, 385
Total	41, 700, 000	22, 000, 000	18, 000, 000	−23, 700, 000	−4, 000, 000
Total, defense support:					
Appropriation	(1)	489, 232, 615	432, 000, 000		−57, 232, 615
Unobligated balance	(1)	18, 547, 385	15, 000, 000		−3, 547, 385
Total	720, 767, 687	507, 780, 000	447, 000, 000	−273, 767, 687	−60, 780, 000

[1] Distribution of program figures between appropriation and unobligated balances not available.

MUTUAL SECURITY—Continued

Comparative statement of funds available for 1954, estimates for 1955, and amounts recommended in bill for 1955—Con.

Items	Available, 1954	Estimates, 1955	Recommended in bill, 1955	Bill compared with—	
				Available, 1954	Estimates, 1955
DEVELOPMENT ASSISTANCE					
Near East and Africa	$137, 435, 500	$130, 000, 000	$115, 000, 000	−$22, 435, 500	−$15, 000, 000
South Asia	60, 500, 000	85, 000, 000	60, 500, 000		−24, 500, 000
American Republics	4, 420, 000	9, 000, 000	9, 000, 000	+4, 580, 000	
Coal and steel community loan	100, 000, 000			−100, 000, 000	
Total, development assistance	302, 355, 500	224, 000, 000	184, 500, 000	−117, 855, 500	−39, 500, 000
TECHNICAL COOPERATION					
General authorization	97, 954, 161	112, 070, 000	100, 000, 000	+2, 045, 839	−12, 070, 000
United Nations program	8, 500, 000	17, 958, 000		−8, 500, 000	−17, 958, 000
Organization of American States	1, 000, 000	1, 500, 000	1, 500, 000	+500, 000	
Total, technical cooperation	107, 454, 161	131, 528, 000	101, 500, 000	−5, 954, 161	−30, 028, 000
OTHER PROGRAMS					
Intergovernmental Committee for European Migration:					
Appropriation		11, 189, 190	10, 000, 000		−1, 189, 190
Unobligated balance	[1] [1]	510, 810	500, 000		−10, 810
Total	7, 500, 000	11, 700, 000	10, 500, 000	+3, 000, 000	−1, 200, 000

United Nations refugee emergency fund	----------	500, 000	----------	----------	−500, 000
United Nations Children's Fund	9, 814, 333	13, 500, 000	12, 000, 000	+2, 185, 667	−1, 500, 000
United Nations Relief and Works Agency	38, 063, 250	[2] 23, 063, 250	[2] 23, 063, 250	−15, 000, 000	----------
North Atlantic Treaty Organization	1, 169, 000	3, 200, 000	3, 169, 000	+2, 000, 000	−31, 000
Ocean freight charges	7, 325, 000	4, 400, 000	4, 400, 000	−2, 925, 000	----------
Control Act expenses	1, 077, 980	1, 300, 000	1, 075, 000	−2, 980	−225, 000
Administrative expenses	34, 152, 351	34, 700, 000	30, 000, 000	−4, 152, 351	−4, 700, 000
Strategic materials	11, 794, 534	[2] 570, 000	----------	−11, 794, 534	−570, 000
Surplus agricultural commodities	245, 385, 000	([3])	([3])	−245, 385, 000	----------
Special programs	33, 715, 000	----------	----------	−33, 715, 000	----------
Total, other programs:					
Appropriation	([1])	68, 789, 190	60, 644, 000	----------	−8, 145, 190
Unobligated balance	([1])	24, 144, 060	23, 563, 250	----------	−580, 810
Total	389, 996, 448	92, 933, 250	84, 207, 250	−305, 789, 198	−8, 726, 000
Total, mutual security:					
Appropriation	4, 531, 507, 000	3, 438, 549, 805	2, 895, 944, 000	−1, 635, 563, 000	−542, 605, 805
Unobligated balance	2, 388, 065, 307	2, 582, 083, 728	2, 312, 475, 979	−75, 589, 328	−269, 607, 749
Total	6, 919, 572, 307	6, 020, 633, 533	5, 208, 419, 979	−1, 711, 152, 328	−812, 213, 554

[1] Distribution of program figures between appropriation and unobligated balances not available.
[2] Reappropriation of unobligated balance.
[3] Amount for 1955 not yet determined.

Union Calendar No. 860

83D CONGRESS
2D SESSION

H. R. 10051

[Report No. 2490]

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 1954

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1955, namely:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law , approved 1954 (H. R. 9678), as follows:

Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,285,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76,000,000, plus not to exceed $39,000,000 of unobligated balances: *Provided,* That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further,* That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.

Southeast Asia and the Western Pacific: For assistance authorized by section 121, $712,000,000;

Common-use items: For assistance authorized by section 123, $64,000,000;

Defense support, Europe: For assistance authorized by section 131 (b) (1), $70,000,000;

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), $73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), $86,000,000;

Korean program: For assistance authorized by section 132 (except subsection (c)), $200,000,000;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), $3,000,000, and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), $115,000,000;

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Development assistance, American Republics and nonself-governing territories of the Western Hemisphere: For assistance authorized by section 201 (a) (3), $9,000,000;

Technical cooperation, general authorization: For assistance authorized by section 303, $100,000,000;

Contributions for programs of the Organization of American States: For contributions authorized by section 305 (b), $1,500,000;

Contributions to the Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), $10,000,000, and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants";

Contributions to the United Nations children's fund: For contributions authorized by section 406, $12,000,000 which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: Not to exceed $23,063,250 of the unobligated balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407;

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, $3,169,000;

Ocean freight charges: For payments authorized by section 409, $4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,075,000;

Administrative expenses: For expenses authorized by section 411, $30,000,000.

GENERAL PROVISIONS

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and $1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed $15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed $50,000) of a confidential character other than entertainment, provided that a certifi-

cate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act administered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental

United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided,* That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further,* That none of the funds provided herein shall be used to pay any employee a basic salary of $12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of $12,000 or more per annum

on June 30, 1953: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders

relieving them from a duty station within the United States prior to August 1, 1953.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act, and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953.

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assist-

ance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

SEC. 108. Not more than 20 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

SEC. 109. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of

the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than

$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

Union Calendar No. 860

83D CONGRESS
2D SESSION

H. R. 10051

[Report No. 2490]

A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

By Mr. TABER

JULY 24, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

83D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 2528

CONSIDERATION OF H. R. 10051

JULY 26, 1954.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 686]

The Committee on Rules, having had under consideration House Resolution 686, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 269

83D CONGRESS
2D SESSION

H. RES. 686

[Report No. 2528]

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the five-minute rule. It shall be in order to

consider without the intervention of any point of order the following amendment: On page 3, line 2, strike out "$70,000,000" and in lieu thereof insert "$45,000,000" and after line 2, page 3, insert a new paragraph as follows: "For special assistance in Joint Control areas in Europe, $25,000,000." At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Calendar No. 269

83D CONGRESS
2D SESSION

H. RES. 686

[Report No. 2528]

RESOLUTION

Providing for the consideration of H. R. 10051, a bill making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

By Mr. ALLEN of Illinois

JULY 26, 1954

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 27, 1954
For actions of July 26, 1954
83rd-2nd, No. 141

CONTENTS

Alaska.....5
Appropriations.....2,21,27
Atomic energy.....1,13
Budget.....22
CCC.....14,38
Credit unions.....6
Customs simplification...3
Dairy industry.....23
Disaster relief....7,16,37
Education.....33
Electrification.....31
Farm program.....12
Flood control.....4,26
Foreign affairs.....17
Foreign aid.....2,27
Forestry.....38,39
Hawaii.....5
Health insurance.....19
Livestock.....36
Loans, farm.....7,16,37
Minerals.....29
Personnel.....10,34
Poultry.....21
Price supports.....25
Public debt.....22
Puerto Rico.....8
REA Audit Report.....14
Reclamation....11,20,28,30
Reports.....14
Seeds.....38
Social security.....32
Soil conservation.....9,15
Statehood.....5
Surplus commodities.....18
Taxation.....9,13,16,36
TVA.....24
Water rights.....35

HIGHLIGHTS: House committees reported mutual security appropriation bill and cleared it for debate. House passed atomic energy bill. House received conference report on tax revision bill. House passed customs simplification bill. House passed flood control bill. House Rules Committee tabled Hawaii-Alaska statehood bill. Senate debated atomic energy bill. Senate committee reported upper Colo. reclamation bill. Sen. Williams and Rep. Moulder introduced drought-relief bills. Sen. Douglas submitted and discussed resolution for joint committee on drought relief.

HOUSE

1. ATOMIC ENERGY. Passed, 230-154, with amendments H. R. 9757, the atomic energy bill (pp. 11389-90).

2. FOREIGN-AID APPROPRIATIONS. The Appropriations Committee reported (on July 24, during House recess) H. R. 10051, the mutual security appropriation bill, 1955 (H. Rept. 2490)(p. 11485). The Rules Committee reported a resolution waiving points of order on the bill (p. 11474).

3. CUSTOMS SIMPLIFICATION. Passed without amendment H. R. 10009, to provide for review of customs tariff schedules, to improve procedures for tariff classification of unenumerated articles, and to repeal or amend obsolete provisions of the customs laws (pp. 11398-400).

4. FLOOD CONTROL. Passed without amendment H. R. 9859, the omnibus flood control bill, which authorizes $20,000,000 additional for watershed work by this Department (pp. 11411-47). Rejected, 19-69, an amendment by Rep. Smith, Miss., to require that land be purchased under this bill so as to facilitate recreation (pp. 11438-40).

5. STATEHOOD. The Rules Committee tabled a request for a rule to send to conference H. R. 3575, the Hawaiian statehood bill, as amended in the Senate to include also Alaska (p. D899).

6. CREDIT UNIONS. Passed as reported S. 3583, to transfer administration of D. C. credit unions from Treasury to HEW (pp. 11401-2).

7. DISASTER RELIEF. Received from the President a message reporting on disaster-relief activities; to Appropriations and Public Works Committees (H. Doc. 479) (p. 11397).

8. PUERTO RICO. Mr. Fernos-Isern spoke on development of Puerto Rico since it became a Commonwealth (pp. 11475-7).

9. TAXATION. Received the conference report on H. R. 8300, the tax revision bill (pp. 11448-73). The conferees agreed to the Senate changes in the provision to encourage soil conservation expenditures (p. 11456).

10. PERSONNEL. S. 2665 as reported (see Digest 138) provides as follows:

"(1) A 5-percent increase in the minimum rate of each grade, through grade GS-17, of all employees paid under the Classification Act of 1949, with a minimum increase to each employee of $180 a year. The bill also provides an increase of 5 percent for legislative employees with no minimum provision.

(2) An increase in the number of supergrade positions provided by the Classification Act of 1949, as amended, from 400 to 550, apportioned as follows: GS-18, 31; GS-17, 123; and GS-16, 396.

(3) Longevity step increases (presently provided for employees through grade GS-10) for employees through grade GS-15. These longevity steps are in the same amount as the present within-grade promotion steps, except that for GS-15, which has within-grade promotion steps of $250 each, each longevity step increase will be $200. In effect, no employees in grades GS-11 through GS-15 may count past service for more than one longevity step increase under the bill.

(4) Authority for the Civil Service Commission to recruit qualified employees above the minimum rate of the grade for the position to which appointment is made in cases where a sufficient number of qualified eligibles cannot be secured at the regular entrance rate.

(5) Abolishment of the crafts, protective, and custodial schedule. The 116,000 employees paid under this schedule will be divided into two groups. The first group of approximately 69,000 will have their pay set by local wage boards. The second group of approximately 47,000 will be paid under the general schedule of the Classification Act of 1949. This will be worked out over a period of time by the Civil Service Commission under procedures provided for in the bill.

(6) A system of premium compensation for classified employees, including overtime compensation at 1½ times the regular rate of basic compensation not in excess of the top salary grade for GS-9 or the regular straight-time rate, whichever is greater; night differential at the rate of 10 percent of the regular rate of basic compensation; holiday pay (not overtime) at a rate equal to the regular pay in addition to such regular pay; standby time at appropriate rates determined by department heads with the approval of the Civil Service Commission (except for fire fighters) not in excess of 25 percent of the regular rate of basic compensation for GS-9; and extra pay at rates up to 15 percent of base pay for employees (such as criminal investigators and certain others) whose hours of duty cannot be controlled administratively and who must perform substantial quantities of irregular, overtime, or night duty. Fire fighters will receive the premium compensation benefits, but are not restricted by the

which exempt consular officers and employees of foreign states from payment of internal-revenue taxes on imported articles. The House bill contained no similar provisions. The House recedes.

Amendment No. 537: This amendment to section 7621 of the House bill restores the prohibition contained in existing law that parts of two different States may not be combined into one internal-revenue district. The House recedes.

Amendment No. 541: The Senate amendment to section 7701 (a) (20) of the House bill, relating to definitions, extends the application of the term "employee" as it relates to certain full-time life-insurance salesmen, to include those sections of the income tax laws which relate to accident and health insurance, or accident and health plans, or to employees' death benefits. The House recedes.

Amendment No. 545 (1): The House bill provided that chapter 3 of the House bill (relating to withholding of tax on nonresident aliens, foreign corporations, and tax-free covenant bonds), and chapter 5 of the House bill (relating to transfers to avoid income tax), applied to payments and transfers occurring after the date of enactment of the bill. The Senate amendment makes these provisions applicable to payments and transfers occurring after December 31, 1954. The House recedes.

Amendment No. 545 (2): The Senate amendment added a new sentence at the end of section 7851 (a) (1) (C) to the effect that the provisions of the 1939 Code which are superseded by the provisions of subtitle A (relating to the income taxes) of the 1954 Code, the applicability of which is stated in terms of a specific date occurring after December 31, 1953, shall be deemed to be included in subtitle A of the 1954 Code (thus making them applicable to taxable years beginning after December 31, 1953), but shall be applicable only with respect to the period prior to the taking effect of the corresponding provision of such subtitle A. The Senate amendment likewise added a new subparagraph (D) which provided that in the case of a taxable year beginning after March 31, 1954, sections 244 (relating to dividends received on certain preferred stock), 247 (relating to dividends paid on certain preferred stock of public utilities), and 922 (relating to deduction for Western Hemisphere trade corporations) of the 1954 Code shall apply without regard to whether such taxable year ended before, on, or after the date of enactment of the 1954 Code.

The House recedes with an amendment which revises subparagraph (D) of section 7851 (a) (1). The new subparagraph (D) is applicable with respect to taxable years ending after March 31, 1954, which are subject to tax under chapter 1 of the 1939 Code. The new subparagraph (D) makes amendments to various provisions of the 1939 Code which are necessary to carry into effect the extension of the corporate tax rate and credits which under the 1939 Code were applicable only with respect to taxable years beginning before April 1, 1954, and to repeal the reduction in the corporate tax rate and prevent the changes in credits which under the 1939 Code were to take effect with respect to taxable years beginning after March 31, 1954.

Amendment No. 545 (3): This amendment, by an addition to section 7851 (a) (4) of the House bill, provides that provisions having the same effect as section 6416 (b) (2) (H) of the bill (see the explanation under Senate amendment No. 466a) and so much of section 4082 (c) of the bill as refers to special motor fuels (see the explanation under Senate amendment No. 301a) shall be considered to be included in the Internal Revenue Code of 1939 effective as of May 1, 1954. The Senate amendment also removes whatever ambiguity may have existed under the Excise Tax Reduction Act of 1954 with respect to the rate of tax on diesel fuel for the month of April 1954 by expressly providing that section 2450 (a) of the Internal Recenue Code of 1939, as amended by the Excise Tax Reduction Act of 1954, applies to the period beginning on April 1, 1954, and ending on December 31, 1954. The effect of this latter provision of the Senate amendment is to make it clear that the rate of tax on diesel fuel for the month of April 1954 is 2 cents per gallon, rather than 1½ cents per gallon. The House recedes.

Amendment No. 545 (4): The House bill provides an effective date of January 1, 1955, with respect to subtitle E of the 1954 Code, relating to alcohol, tobacco, and certain other excise taxes. The Senate amendment provides an exception with respect to chapter 53 of the House bill (relating to taxes on machineguns and certain other firearms), the provisions in section 5411 of the House bill permitting the use of a brewery for the purpose of producing and bottling soft drinks under regulations, and the provisions of section 5554 of the House bill (relating to pilot-plant operations), so as to make these provisions effective beginning with the day after the date of enactment of this title. The House recedes.

Amendment No. 546: The House bill provided that subtitle F of the bill (relating to procedures and administration) applies on and after the day after the enactment of the 1954 Code, except that certain provisions of the 1939 Code will continue to apply to taxes imposed by that code. The Senate amendment provides that the provisions of chapter 63 of the 1954 Code relating to assessment (other than those relating to deficiency procedures in the case of income, estate, and gift taxes), chapter 64, relating to collection, and chapter 65, relating to abatements, credits, and refunds (other than the provisions of sec. 6405, relating to reports of refunds and credits to the Joint Committee on Internal Revenue Taxation) shall not be effective until January 1, 1955, when they shall apply to taxes under both the 1939 Code and the 1954 Code. Before January 1, 1955, the corresponding provisions of the 1939 Code shall remain in effect with respect to taxes under both the 1939 Code and the 1954 Code. The House recedes.

Amendment No. 548: Subsection (b) of section 7851 of the House bill contained provisions that all offices, positions, appointments, employments, boards, or committees authorized by the 1954 Code shall not be abolished by repeal of the pertinent provisions of the 1939 Code. The Senate amendment makes clarifying changes and makes the provision also applicable to internal-revenue districts. The Senate amendment is designed to continue (despite repeal of the 1939 Code and enactment of the 1954 Code) all offices, positions, boards, and committees, all appointments and employments of officers and employees, and all internal-revenue districts, existing immediately before enactment of the 1954 Code, the continuance of which is not manifestly inconsistent with any provision of the 1954 Code. The amendment also makes clear that, in every such case, the authority to make changes shall not be restricted by this provision of the 1954 Code. The Senate amendment also adds a provision that, notwithstanding the repeal of the 1939 Code, any delegation of authority (including redelegations thereunder) pursuant to the provisions of Reorganization Plan No. 26 of 1950 or Reorganization Plan No. 1 of 1952, and in effect immediately preceding enactment of the 1954 Code, shall remain in effect for purposes of the 1954 Code, unless clearly inconsistent therewith. The provision does not limit in any manner the power to amend, modify, or revoke such delegations or redelegations of authority. The House recedes.

Amendment No. 550: The House bill provided that no provision of the 1954 Code is to apply where its application would be contrary to any treaty obligation. The Senate amendment limits this prohibition to treaties in effect on the date of enactment of the 1954 Code. The House recedes.

Amendment No. 551: This amendment added section 201 of the Miscellaneous Title to the House bill to authorize the Attorney General and the Federal Bureau of Investigation to investigate any violation of title 18, United States Code, involving Federal employees and requiring the head of every department or agency to report to the Attorney General all information relating to such violations received in his department or agency, unless responsibility for performing such investigation has been specifically otherwise assigned by existing law or the Attorney General otherwise directs. Existing authority of all agencies to investigate matters conferred upon them was not to be limited.

Existing law authorizes the Secret Service to detect and arrest any person violating any law concerning matters administered by and under the direct control of the Treasury Department. This amendment also added section 202 to the bill, striking the provision in section 3056 of title 18, United States Code, which confers such authority. The Senate recedes.

Amendment No. 552: This amendment added section 203 of the Miscellaneous Title to the bill amending section 3748 (a) of the 1939 Code (relating to periods of limitation for prosecution of offenses committed under the internal revenue laws) and section 3282 of title 18 of the United States Code (relating to periods of limitation for prosecution of certain noncapital criminal offenses) so as to extend the period of limitation under each section from 3 years to 5 years. The amendments were to be effective as to all offenses committed on or after the date of enactment of this bill and as to offenses committed prior thereto prosecution of which was not barred on the date of enactment. The House recedes with an amendment which eliminates the amendment to section 3282 of title 18, and limits the extension of the period of limitations under section 3748 (a) of the 1939 Code to offenses under section 4047 (e) of the 1939 Code, thereby confining it to certain offenses of officers and agents appointed and acting under authority of the revenue laws.

DANIEL A. REED,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

FRYINGPAN-ARKANSAS WATER DIVERSION PROJECT

(Mr. CHENOWETH asked and was given permission to extend his remarks at this point.)

Mr. CHENOWETH. Mr. Speaker, the bill authorizing the construction of the Fryingpan-Arkansas water diversion project, H. R. 236, is now pending on the House Calendar. There is widespread interest in this legislation in Colorado and I wish to call attention to the different agencies and States that have approved this project. I submit herewith a list of the agencies that have given official approval to this project. I wish to call special attention to the fact that the project has been approved by all of the States in the Colorado River Basin, including the State of California, which is now offering some objections.

The list follows:

Fryingpan-Arkansas project has official approval of:

Secretary of the Interior.

Bureau of Reclamation.
Colorado River Basin States, including Colorado, California, Arizona, Nevada, Wyoming, Utah, and New Mexico.
Following affected States and agencies:
Kansas.
Oklahoma.
Secretary of the Army.
Department of Agriculture.
Department of Commerce.
Federal Power Commission.
Corps of Army Engineers.
Public Health Service.
Arkansas River Compact Administration.
Colorado Water Conservation Board.
Southwestern Conservation District of Colorado.
Colorado River Water Conservation District of Colorado.
Colorado Game and Fish Commission.
Leeds-Hill and Jewett, consulting engineers, Los Angeles, Calif., in Special Report on Depletion of Colorado Surface Water Supplies, dated October 31, 1953, page 54: "A bill is now before Congress to authorize construction of the Fryingpan-Arkansas project, which would involve the diversion of about 72,000 acre-feet annually from Fryingpan Creek, a tributary of Roaring Fork, into the headwaters of Arkansas River. This would be physically feasible."

Mr. Speaker, I also wish to submit a list of the local groups which have expressed their approval of this project. On this list we find a number of REA cooperatives, who are interested in obtaining cheaper power. We also find the Public Service Co. of Colorado, and the Southern Colorado Power Co. of Pueblo, Colo., which are the large private utilities serving this area. There is no controversy over the power that will be developed by this project and there is a ready market for the same.

On this list we find a number of ditch companies in the Arkansas Valley who are in need of supplemental power. Also, a number of soil-conservation districts who are vitally interested in this project. Also, a number of labor organizations who are urging the construction of this project.

Included on this list is a number of cities and towns in Colorado, some of whom will obtain badly needed domestic water from the project. In addition, there is a large group of service clubs and similar organizations who have expressed interest in the project and are desirous of having the same constructed. The following is but a partial list of the many groups which have indicated their approval of this legislation:

Fryingpan-Arkansas project has been endorsed by:
Water Development Association of Southeastern Colorado.
Southeast Colorado Power Association (REA).
Colorado State Association of Rural Electric Cooperatives.
San Isabel Electric Association, Pueblo (REA).
Sangre de Cristo Electric Association, Salida (REA).
San Luis Valley REA, Colorado.
Public Service Co. of Colorado, Denver.
Southern Colorado Power Co., Pueblo.
Soil conservation districts of southeastern Colorado.
Upper Arkansas Soil Conservation District.
Colorado Soil Conservation Association.
Fort Lyon Canal Co., Las Animas, Colo.
Catlin Canal Co., Rocky Ford, Colo.
Arkansas Valley Ditch Association, Colorado.
Mutual Ditch Co., Rocky Ford, Colo.
Otero Canal Co., Rocky Ford, Colo.
Rocky Ford Highline Ditch Co., Colorado.
Oxford Farmers Ditch Co., Colorado.
Holbrook Ditch Co., Colorado.
United Steel Workers of America, CIO, Pueblo.
Colorado State CIO Council, Denver.
Colorado State Federation of Labor, Denver.
Pueblo Building Trades Council, AFL.
Brotherhood of Railway Trainmen, Pueblo.
Colorado State Industrial Union Council, Denver.
Following Colorado cities and towns: Pueblo, Colorado Springs, Leadville, Buena Vista, Salida, Canon City, Florence, Fowler, Manzanola, Rocky Ford, La Junta, Las Animas, Lamar, Eads, and Walsenburg.
Municipal Water Districts, Pueblo.
Chambers of commerce of cities listed above.
Service clubs and professional organizations of above cities.
Farm Bureau of Las Animas, Colo.
Farmers Union, Bent County, Las Animas, Colo.

MUTUAL SECURITY APPROPRIATION, 1955

Mr. NICHOLSON from the Committee on Rules reported the following privileged resolution (H. Res. 686, Rept. No. 2528) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the following amendment: On page 3, line 2, strike out "$70 million" and in lieu thereof insert "$45 million" and after line 2, page 3, insert a new paragraph as follows: "For special assistance in joint control areas in Europe, $25 million." At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LABELING OF PACKAGES CONTAINING FOREIGN-PRODUCED TROUT SOLD IN THE UNITED STATES

Mr. NICHOLSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 687, Rept. No. 2529), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE NICKEL SHORTAGE

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. YATES. Mr. Speaker, on May 26 I addressed the House on the subject of the nickel shortage and indicated that through the House Committee on Small Business, of which I am a member, we were attempting to obtain the information which would be helpful in determining why the many members of the plating industry in this country were being allocated a disproportionately small amount of nickel. At that time I stated that—

> When a material such as nickel is the economic life's blood of so many small businesses in our country, it is essential that its allocation be made on a fair and equitable basis.

Since that time the House Committee on Small Business has been continuing its investigation and has been unable to obtain specific answers to the specific questions that have been troubling us. It was for that reason that the committee on July 23 addressed the following letter to Mr. H. B. McCoy, Deputy Administrator of the Business and Defense Services Administration of the Department of Commerce:

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D. C., July 23, 1954.

Mr. H. B. McCOY,
Deputy Administrator, Business and Defense Services Administration, Department of Commerce, Washington, D. C.

DEAR MR. MCCOY: This is in reference to your letter of May 6, 1954, in response to this committee's inquiry concerning the distribution of nickel.

Since we have concluded that additional information is required in our investigation of this matter, we are submitting further questions, the answer to which we hope will focus attention on the nature and scope of the complaints small job platers have presented to this committee. These questions are listed below:

1. In response to our previous question concerning the conservation of nickel in specific defense production programs, the answer was supplied that "the Department of Defense has under way a very active nickel conservation program directed toward conserving nickel wherever possible in its current program." What office in the Department of Defense is specifically responsible for carrying out this program and what relationship has been established between this office and the Business and Defense Services Administration? If there is no formal relationship, is it not regarded important that BDSA, as the official agency of Government coordinating business and defense activities, should stimulate conservation through close liaison with the Department of Defense to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 28, 1954
For actions of July 27, 1954
83rd-2nd, No. 142

CONTENTS

Animal inspection.....12
Appropriations.....2
Assistant Secretary.....10
Atomic energy.....9
Budget.....19
Committees.....7
Dairy industry.....5
Education.....24
Electrification.....18
Farm Bureau.....16
Farm problems.....23
Farm program.....2,11
Flood control.....17
Foreign aid.....2,11
Foreign trade.....20
Forestry.....13
Health insurance.....14
Imports.....20
Legislative program...8,11
Loans, farm.....1
Minerals.....4
Nomination.....10
Patents.....3
Personnel.....6,14
Poultry.....12
Price supports...2,5,21,23
Pricing.....15
Purchasing.....2
Reclamation.....22
Tobacco.....16
Virgin Islands.....12
Water facilities.....1

HIGHLIGHTS: House passed water-facilities loans bill. House debated foreign-aid appropriation bill. Senate passed atomic energy bill. Senate committee reported Butz nomination. Rep. Hope introduced bill to restore inspection authority in Virgin Islands. Rep. Cooley criticized administration's farm program. Senate made foreign-aid authorization bill its unfinished business, and Sen. Knowland announced this would be followed by farm program bill.

HOUSE

1. WATER-FACILITIES LOANS. Passed as reported S. 3137, to expand coverage of the Water Facilities Act to the entire country, to increase the amount of loans for individual projects which is permitted under existing law, to enable water-facilities to be made through Government-insured loans by private institutions, and (through a House committee amendment) to authorize loans for carrying out soil-conservation practices (pp. 11631-4).

2. MUTUAL SECURITY APPROPRIATION BILL, 1955. Began and concluded debate on this bill, H. R. 10051, but deferred a final vote until today (pp. 11575-625). The bill appropriates $2,895,944,000 (a reduction of $542,605,805 in the Budget estimates) and continues available $2,312,475,979 of unobligated funds (a reduction of $269,607,749 in the estimates). The bill includes $101,500,000 for technical cooperation, $184,500,000 for development assistance, and $12,000,000 for the UN Children's Fund.

Rejected, 34-110, a Vorys amendment to increase the technical assistance item by $17,958,000 and also rejected a Javits amendment (to this amendment) increasing the item by $30,028,000 (pp. 11617-23). Rejected several other amendments changing the amounts in the bill.

An amendment by Rep. Phillips, to provide that not less than $4,100,000 of the technical-assistance item be made available to FAO for multilateral technical

cooperation, was ruled out of order (p. 11617).

Rep. Cooley stated that the cost of farm programs is "inconsequential" when compared with foreign-aid and other costs, commended the present price-support program, and criticized the proposed flexible program (pp. 11598-602).

The committee report on this bill questions the validity of outstanding obligations and states that there was "a deliberate effort to tie-up or dispose of available funds before the June 30 deadline."

The bill contains a provision prohibiting the procurement of equipment or materials outside the U. S., under this program, unless the President makes certain findings.

3. PATENTS. Passed as reported H. R. 3534, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owners in the armed forces or by production controls (pp. 11629-31).

4. MINERALS. Received the conference report on S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands (H. Rept. 2552)(pp. 11635-9).

5. PRICE SUPPORTS. Rep. Marshall inserted a farmer's letter criticizing the reduction in dairy supports (p. 11635).

6. PERSONNEL. A Post Office and Civil Service subcommittee voted to report to the full committee H. R. 9586, to eliminate certain loopholes in the law which permit excessive annuity benefits, under the Civil Service Retirement Act, for nominal periods of service (p. D904).

7. COMMITTEE ASSIGNMENTS. Rep. Keogh was transferred from the Merchant Marine and Fisheries Committee to the Ways and Means Committee (p. 11576).

8. LEGISLATIVE PROGRAM. Rep. Halleck announced that the Consent Calendar will be read this week and several bills will be considered under suspension of the rules, and he said: "as far as we are concerned here in the House..., I think that on the whole by the time the week is out we will have disposed of the matters that are to be disposed of in this session of Congress." (pp. 11625-6.)

SENATE

9. ATOMIC ENERGY. Passed, 57-28, with amendments H. R. 9757, the atomic energy bill (pp. 11643-713, 11716-55).

10. NOMINATION OF Earl L. Butz, to be Assistant Secretary of Agriculture, was favorably reported by the Agriculture and Forestry Committee (p. 11715).

11. LEGISLATIVE PROGRAM. H. R. 9678, the foreign-aid authorization bill, was made the unfinished business, and Sen. Knowland announced that this would be followed by the farm program bill (p. 11755).

BILLS INTRODUCED

12. VIRGIN ISLANDS. H. R. 10077, by Rep. Hope, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified basis; to Agriculture Committee (p. 11642).

13. FORESTRY. H. R. 10075, by Rep. Engle, to authorize adjustment and clarification of ownership of certain lands in the Stanislaus National Forest, Calif.; to Agriculture Committee (p. 11642).

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, SECOND SESSION

Vol. 100 WASHINGTON, TUESDAY, JULY 27, 1954 No. 142

House of Representatives

The House met at 10 o'clock a. m.

The Reverend S. A. Candow, Lutheran Church of the Master, Los Angeles, Calif., offered the following prayer:

O Lord most holy and most high, this day as we stand before Thy everlasting presence, we beseech Thee to hear us not only as Members of this worthy assembly but also as individuals, sons and fathers, mothers and daughters, who need Thy divine help to carry out the great responsibilities placed upon us.

Forgive us, O most merciful Father, all our sins, both of commission and omission. Help us to believe and obey Thy will. Sanctify what we are so that come day, come night, come joy, come sorrow, come death, come life, we fail Thee not, O God of grace and truth.

Give strength to all souls that seek Thee; enlarge our hearts; give a new edge to our consciences. Keep our feet from falling and our souls from death.

Thou, O Lord God, Who dost understand the life we live, the road we travel, the cup we drink, Thou knowest our need of Thee in our problem of life.

Before us faces a future unknown to us but known and prepared by Thee.

May we find our place in this day and in the future to come so that these responsible men and women may leave a God-given, God-pleasing heritage to those who follow after them as they write their lives on the footprints of the sands of time.

All this we pray in the blessed name of our eternal Lord and Saviour. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON EDUCATION AND LABOR

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to sit and act during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MUTUAL SECURITY APPROPRIATION ACT, 1955

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 636 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the following amendment: On page 3, line 2, strike out "$70,000,000" and in lieu thereof insert "$45,000,000", and after line 2, page 3, insert a new paragraph as follows: "For special assistance in joint-control areas in Europe, $25,000,000." At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and at this time I yield myself such time as I may consume.

Mr. Speaker, this rule is an open rule and waives all points of order, provides for 3 hours of general debate.

This is the last appropriation bill for this session of Congress.

I know there are considerable differences of opinion regarding the appropriation of money for our foreign activities to fight communism, but I know of no one who is opposed to the rule.

Mr. SMITH of Virginia. Mr. Speaker, I, likewise, know of no one who is opposed to the rule. Of course, there is a lot of difference of opinion on the merits of the legislation it carries. I think attention should be called to the fact that this is a somewhat unusual rule and comes about in this way.

On page 2 the rule makes in order a certain amendment. The reason we have to have a rule on this bill is because the authorizing legislation which passed the House has not passed the Senate and therefore there is no authorization for this appropriation at this time. Of course, it is anticipated that in due course it will be passed by the other body, when certain other matters that appear to be troublesome are gotten out of the way. It was necessary to have a rule because this appropriation is not as yet authorized by law although the House has passed the authorization bill. For the same reason it is necessary to waive points of order against the proposed amendment.

Therefore, in order that this bill may be in order it was necessary to have this rule. I know of no objection to the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

(Mr. ROGERS of Florida asked and was given permission to speak out of order.)

Mr. ROGERS of Florida. Mr. Speaker, I am today introducing a concurrent resolution to throw the moral support of the Congress behind the United States delegation to the United Nations to resist and prevent salary awards from being paid by the General Assembly to 11 fifth-amendment American employees of the United Nations. The 11 fifth-amendment Americans refused to testify before the Senate Internal Security Subcommittee when asked about their subversive activities. All of them took refuge under the fifth amendment and refused to answer questions by the Senate Internal Security Subcommittee, whereupon Secretary General Trygve Lie dismissed them from the United Nations' employment.

These 11 disloyal American employees appealed to the Administrative Tribunal at Geneva and the tribunal gave a decision to reinstate these people, and to award them damages.

When our representative to the United Nations, Henry Cabot Lodge, Jr., was asked about this decision he said:

I think the decision was all wrong. I am very much opposed to it and I will do every-

thing in my power to resist it at the United Nations.

The International Court of Justice by a vote of 9 to 3 recently upheld the Administrative Tribunal's finding awarding the 11 fifth amendment employees a total damage of $179,420. If the General Assembly approves the award, these 11 disloyal American employees will be paid the amount of $179,420, one-third of which comes from the American taxpayers who foot most of the bills for U. N. expenses.

I understand that the Court's opinions are not binding upon the United Nations General Assembly and, therefore, the next step will be a decision by the General Assembly itself on whether to pay the award.

This resolution will strengthen the position of Ambassador Lodge against paying American money to these former employees who have been guilty of subversive activities and who took refuge under the fifth amendment.

The resolution provides as follows:

Concurrent resolution expressing the sense of the Congress with respect to the payment of damages to certain American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer questions before a committee of Congress

Whereas 11 American employees in the United Nations were asked in 1952 and 1953 to testify before the Internal Security Subcommittee of the Senate concerning their membership in the Communist apparatus and other subversive activities, but refused under the fifth amendment to answer, with the result that such subcommittee recommended their dismissal from such employment; and

Whereas the Secretary General of the United Nations dismissed the 11 employees from their employment in the United Nations, and they appealed; and

Whereas on appeal the United Nations Administrative Tribunal awarded damages to the 11 employees in a total amount of $179,420 on account of such dismissal, and the International Court of Justice has recently upheld the Administrative Tribunal; and

Whereas the case is now before the General Assembly of the United Nations, which must approve the award of such damages before payment thereof can be made; and

Whereas the United States, which pays approximately one-third of the expenses of the United Nations, should not be compelled to contribute any of its funds for the payment of damages in a case of this kind to persons who have a record of disloyalty to the United States: Therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States delegation to the United Nations should take all possible steps to prevent the General Assembly of the United Nations from authorizing or approving the payment, to the 11 American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer proper questions before the Internal Security Subcommittee of the Senate, of the awards of damages (in a total amount of $179,420) made by the United Nations Administrative Tribunal and recently upheld by the International Court of Justice. And that no part of the funds heretofore appropriated, or hereafter appropriated by the Congress for the United Nations shall be used for the payment of such awards.

Certainly if Ambassador Lodge has behind him the sense of this Congress that we do not want the money of the taxpayers of America to be used in paying these Communists, for that is what they are, his position will be strengthened in the General Assembly. These employees refused to testify and invoked the fifth amendment. This is contrary to both our National and State policies. The President recently stated that fifth amendment citizens are not entitled to employment by this Government, and when one refuses to testify and claimed exemption thereunder, he should be dismissed. The Committee on Post Office and Civil Service brought in a bill the other day in which the identical principle was embodied.

I appeal to the majority leader to help get this resolution out of the committee to which it may be assigned, and I think he will do it because I do not believe he is in favor of taking the money of the taxpayers of America and paying these disloyal Americans for their subversive activities in the United Nations.

Mr. CLARDY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Michigan.

Mr. CLARDY. I heartily approve of the gentleman's resolution, but assuming that the time is too short, since the gentleman has been here longer than I have may I ask him if there is any way we can get the sense of the Congress expressed either through placing something on the desk for signature or something of that sort?

Mr. ROGERS of Florida. No. I think when this resolution is brought to the attention of the committee they will bring it out, because it is something we ought to attend to before we leave here.

Mr. CLARDY. I quite agree.

Mr. ROGERS of Florida. We should not use American taxpayers' money that has been appropriated by the Congress to the United Nations to pay American employees engaged in subversive activities and who refuse to testify on account of self-incrimination and take refuge under the fifth amendment. We should not use taxpayers' money to pay these subversives. I hope the committee will bring out this resolution and that it will be passed upon before the Congress adjourns.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Illinois.

Mr. SHEEHAN. I want to commend the gentleman on his resolution and hope it passes. I want to associate myself with his resolution.

Mr. ROGERS of Florida. I thank the gentleman very much.

Mr. SMITH of Virginia. I have no further requests for time, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JULY 27, 1954.

Hon. JOSEPH W. MARTIN, JR.,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the House Committee on Merchant Marine and Fisheries.

With kind regards, I am

Respectfully yours,

EUGENE J. KEOGH.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. RAYBURN. Mr. Speaker, I offer a resolution (H. Res. 688) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That EUGENE J. KEOGH, of New York, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Ways and Means.

The resolution was agreed to, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 119]

Angell	Gamble	Regan
Barrett	Gubser	Richards
Bolton, Frances P.	Harris	Roberts
	Harrison, Wyo.	Rogers, Tex.
Brooks, La.	Hart	Roosevelt
Buckley	Hébert	Secrest
Canfield	Hinshaw	Short
Celler	Kersten, Wis.	Sieminski
Chatham	Kilburn	Sutton
Chudoff	Long	Thompson, La.
Cotton	Lucas	Vinson
Crosser	McCarthy	Vursell
Curtis, Nebr.	Mailliard	Weichel
Davis, Tenn.	O'Brien, Mich.	Wheeler
Dawson, Ill.	O'Neill	Wier
Dingell	Powell	Willis
Dodd	Priest	Wilson, Tex.

The SPEAKER. On this rollcall 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDERS GRANTED

Mr. SAYLOR asked and was given permission to address the House for 45 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

Mr. PATTERSON asked and was given permission to address the House for 10 minutes on Thursday next, following the legislative program and any special orders heretofore entered.

CORRECTION OF RECORD

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to correct the RECORD in three instances on page 11477. I corrected my remarks in a taxicab, and my writing is always difficult to read.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

CORRECTION OF VOTES

Mr. BOGGS. Mr. Speaker, on roll-call No. 109 I am recorded as being absent. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. SAYLOR. Mr. Speaker, on roll-call No. 115 I am recorded as voting "yea." I voted "nay." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MUTUAL SECURITY APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 10051, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 31 minutes.

Mr. Chairman, the Committee on Appropriations was faced with a very peculiar problem in connection with this bill. The authorization bill had passed the House when we got to the point where we were ready to mark the bill up, but the bill had not passed the other body. However, it had been reported by the Committee on Foreign Relations of the other body. Therefore, there was no law under which we could proceed. We felt it was necessary, if the Congress was ever to complete its labors, that the bill be presented to the House early this week and disposed of. Therefore, we proceeded in the best way we could to write up a bill. It is because of this situation that we were obliged to ask for a rule.

In arriving at the amounts recommended, we took the lowest figure from the House bill, the Senate bill, and the budget. In some cases the figure of one was lower and in other cases another figure was lower. We started with that as a basis, and we proceeded to write up the bill.

On page 2 of the report the action that was taken and the comparisons with the base figures are shown. We followed the same practice that we did last year in reappropriating only such items as could be justified before our committee. I will go through the items and indicate what was done on each.

The first item is "General military assistance." The language there is broad enough to cover any area. The budget estimate and the House bill in that instance were close together, but the Senate bill was lower by a considerable amount. We took the Senate figure of $1,265,300,000 and recommended that figure.

We were advised by the Mutual Security Agency that there was an unobligated balance for this particular item of $2,472,567,283. We reduced that by $265 million, roughly, leaving a balance of $2,207,087,729. So that there is available for the military-assistance item a total of $3,472,000,000 plus.

On infrastructure the budget item was below the House or the Senate bill by $200 million. There we took as the base the budget figure of $122,700,000.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. JAVITS. That item puzzled me, because apparently the committee took $76 million rather than $122 million, which is the contractual figure for our Government on infrastructure, and it is not a question of cutting, but one of honoring our commitments.

Mr. TABER. Well, I am sorry the gentleman did not understand the situation. We approved $76 million, but there was an unobligated balance of $39 million reported for that purpose. They stated that their obligations during the fiscal year 1955, for which we are carrying the appropriation, would be $115 million, which is the total of the $39 million of unobligated balance that they reported, plus $76 million which we have carried in the bill.

Mr. JAVITS. The gentleman states that if we accept this figure our Government will be able to perform its obligations which are contractual, undertaken in connection with infrastructure, according to the representation of the Budget Bureau.

Mr. TABER. It will be able to enter into contracts for the amount that the Mutual Security setup advised us would be obligated in the fiscal year 1955. That is all that we tried in any case to put in.

Mr. JAVITS. The idea was not just to cut the figure then. You were dealing with it realistically, based on their unobligated balance and the new appropriation as being adequate to meet the commitment?

Mr. TABER. That is right, and the budget estimate.

Mr. JAVITS. I thank the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, in reference to the questin raised by the gentleman from New York [Mr. JAVITS] there is testimony in the hearings which clearly sets forth the fact that the committee approved all funds for the fiscal year 1955 that they thought they could obligate. The figure we used is precisely that which they set forth in their testimony?

Mr. TABER. That is right, and I thank the gentleman.

Mr. Chairman, for development of weapons we carried only the unobligated balance forward, $27,825,000. There was nothing carried in the Senate bill or the Senate report for that particular purpose.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The item was eliminated when the authorization bill passed through the House.

Mr. TABER. That is correct. It was eliminated here.

The next item is the total for military assistance and I will not go into those because the membership can see them very readily.

The direct forces support for Southeast Asia and Western Pacific is carried at $712 million, which I am advised by a high authority in the Government can take care of their needs.

For the common use items we carried the figure that was set forth in the Senate report.

For defense support we carried for Europe, excluding Greece and Turkey, $70 million. There was a feeling on the part of the Foreign Affairs Committee representatives who appeared before the Rules Committee that this amount should be carried in two separate items, one of $45 million and the other of $25 million to accomplish the same purpose. It was thrown together by our committee because the budget put it together. I am very glad to say that I am prepared to offer an amendment which will separate the items into two figures. The rule that has been presented by the Rules Committee provides for that. I have talked to the ranking minority member of the subcommittee, the gentleman from Virginia [Mr. GARY] and he has agreed to that procedure. So that when that item is reached in reading the bill I will offer the amendment and I will offer it in one amendment to cover it.

For the Near East, Africa and South Asia, including Greece and Turkey, the item is $73 million, the figure that is carried in the Senate report.

For the Far East and Pacific: $86,230,195, was proposed. The committee made a cut of $230,195, down to $86 million.

For the Korean program we provided $200 million.

For the United Nations Korean Reconstruction Agency, we approved an unobligated balance of $15 million and $3 million of new money. In view of the rate of operations during the last fiscal year and what they seem to have in sight, we feel that that would take care of that activity satisfactorily.

The total defense support figure runs to $447 million, at the bottom of the

page. I will not go into any more detail on that.

Next we have development assistance: There was $115 million for Near East and Africa carried, which is the Senate figure.

For southeast Asia we carried $60,500,000 as against a Senate figure of $76 million, which was the low of the three, a reduction of $15,500,000.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Is that all for India?

Mr. TABER. I think it is, yes.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. In looking at the report, the amount of new money in the bill is $2,895,000,000 plus; is that correct?

Mr. TABER. That is correct.

Mr. SMITH of Wisconsin. And the unobligated balance is $2.3 billion, roughly?

Mr. TABER. 2.3, yes.

Mr. SMITH of Wisconsin. Now then, what is the total spending permitted under this bill?

Mr. TABER. Five billion two hundred and eight million four hundred and nineteen thousand nine hundred and seventy-nine dollars is the total. That is the total amount available to the agency for obligations.

Mr. SMITH of Wisconsin. But that is new obligations, is it not?

Mr. TABER. It is a reappropriation of unobligated balances and new money.

Mr. SMITH of Wisconsin. Does the gentleman think that we can spend $5 billion on this program in the next year?

Mr. TABER. No, but a great many things that should be supplied by us to some of these other nations are such things as jet planes and other articles that take a very considerable time to get out from the date the funds are made available.

Mr. SMITH of Wisconsin. I want to compliment the gentleman and his committee for the work that they have done, and I think that your report is very clear and concise. I am particularly impressed with the criticism that is directed at the Administration in failing to give the kind of information that is necessary.

Mr. TABER. I will have to say it was just like pulling teeth to get some of the information.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. The figure of $5,208,000,000 plus which has just been mentioned as the total amount available for the fiscal year 1955 compares with the figure of $6,919,000,000 plus available for 1954, which is a reduction of $1,711,000,000.

Mr. TABER. That is correct. The total overall reduction from the budget figures is $812 million.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has explained these figures according to this chart in a very clear manner. I should like to ask the gentleman this question. Since the House passed the authorization bill, of course, there has been a decided change in the situation in Indochina. Is the gentleman able to tell us to what extent the Committee on Appropriations has given effect to the altered situation in Indochina geographically, contrasting the present situation with that which existed when the authorization bill was passed?

Mr. TABER. The day we marked up the bill followed by about 24 hours the so-called signing of whatever it was in Geneva. We had Secretary Dulles and Mr. Stassen before the committee that day. We went into the situation quite thoroughly, as to what the result might be. The committee was especially interested in finding out whether or not adequate preparations were being made by the administration to get American supplies—guns and ammunition and trucks, and so forth—out of Indochina so that under the Geneva agreement, when they were obliged to evacuate, there would not be any substantial quantity of supplies left. We were assured that that was the case. Secretary Dulles advised us that the situation was critical.

Frankly, we ourselves can recognize that, because the Chinese Communists seem to be rather lawless in the way they operate; and what has happened in the last 2 or 3 days has tended to accentuate that situation. It is going to be necessary that we do whatever we can to build up support for the defense of the Far East, southeast Asia, and the Western Pacific. The best group of troops in all of that area at the present time is the Koreans. They have been trained by our people. Undoubtedly we have got to move into that picture more than otherwise would have been necessary. Also the Philippine picture has got to have considerable strength. The Indonesia picture must have considerable strength and the Japanese picture likewise.

I do not see how we can avoid our responsibility to our people through failing to see that these people in the Far East who are ready to fight to head off communism are, as far as we can do it, properly equipped to do it. For that reason, we carried the base figure forward so that the administration would have available to it money to develop those resistance areas against the Communists so that we would not have to carry all of the brunt ourselves, and so that just as far as it is possible our western countries and the western Pacific area could be protected.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Of course, it is true that we have to play this thing almost by ear because of the shifting conditions day by day, but as regards the Indochina picture alone, certainly there would be doubt in my mind about the advisability of continuing any such scale in the way of aid in that area as has been followed in the past.

Mr. TABER. I would share that feeling. On the other hand, I do feel that we have to have as much support as we can get out of the folks in that territory where they really want to see freedom maintained and the Communist picture held out.

Mr. KEATING. I would agree with that entirely. The events of the past few days have accentuated the imperative need for strengthening the hand of those who are ready to defend freedom in the Far East. Is there authority in this bill for the shifting of funds from one area in southeast Asia to another?

Mr. TABER. The picture is this: These funds are given to the President. The language of the bill, I think, is probably as clear as I can explain it. I will read that particular part. This is the way the paragraph reads:

> Southeast Asia and the western Pacific: For assistance authorized by section 121, $712 million.

Therefore, the gentleman can see that the authority is broad enough to cover the whole of the western Pacific, from the top of the map at Alaska all the way around and down.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. The section 121 to which reference is made in the paragraph of the bill which the gentleman just mentioned includes this language:

> For expenses necessary for the support of the forces of countries in the area of southeast Asia, including the Associated States of Cambodia, Laos, and Vietnam, and the forces of free nations in the area including those of France, located in such Associated States, and for other expenditures to accomplish in southeast Asia and the western Pacific the policies and purposes declared in this act.

This appropriation is tied to that authorization, which is very broad.

Mr. TABER. That is correct.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOLVERTON. The report indicates there are several billion dollars of unexpended balances. Can the gentleman inform me why it is necessary for us to appropriate additional money this year when there are unexpended balances in excess of that which is to be appropriated in this billi?

Mr. TABER. There are no unobligated balances carried forward except as they are carried forward by this particular bill. The rest of them all return to the Treasury. The unexpended balances that are contracted for are very largely in the military elements. Frankly, we do not know where those things will be used. When they are ready for delivery, this is the practice: If the United States needs it, they get it. The way we financed the first run of the Korean war, was out of funds that had been set up in what was then the Economic Cooperation Administration. I do not believe there is anything in those contracts that we should try to disturb. The committee has been very careful in screening the situation, and in arriving as nearly as possible at what would be

the actual needs of the program. I do not think we have been very far away from the mark.

Mr. WOLVERTON. The report to which I refer states that there are approximately $9,979,000,000 as of June 30, 1954, of which $7,396,000,000 is reported as obligated and $2,582,000,000 is unobligated and available for use in 1955. So the report states there are approximately $2½ billion unobligated.

Mr. TABER. Yes, and out of that $2½ billion, we have carried forward $2,312,000,000 as the report shows on page 3. The rest of it that is unobligated will not be available.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MORANO. Can the gentleman explain what action was taken on the item for technical assistance to the United Nations specialized agencies, and the reason for the action which was taken?

Mr. TABER. We left that out because it had been operated with utter disregard for the law of the Congress. They used the money for other purposes than the conference report of last year provided that the money could be used for. Furthermore, it was a duplicating agency in every country in which it operated.

Mr. MORANO. Is the whole item stricken?

Mr. TABER. Yes.

Mr. GARY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it has been my responsibility to serve on this subcommittee since the foreign-aid program was first initiated. This year we have had by far the most difficult situation to face that has occurred during that entire time. Heretofore, we have had an authorization bill passed by the Congress to guide us in the amounts of money that we are permitted to appropriate. This year, we have no authorization bill. The bill has passed the House; it has been reported out of the committee in the other body, and is now awaiting action on the Senate floor. We have no way of knowing the exact amounts that will be authorized when action on that bill is completed.

After action by the Senate it will have to go to a conference committee. Obviously, if we were to withhold our action on this bill until after that bill has finally passed, we would delay action to such an extent that it would be impossible for the Congress to adjourn at the time upon which we have set our sights. Our committee therefore was faced with the difficulty of selecting amounts which would not exceed the authorizations when those authorizations have been determined.

In that situation let me say we have been most ably guided by our chairman. I want to pay my respects to the gentleman from New York [Mr. TABER] the chairman of this committee. He has done an admirable job. Our chairman, as we all know, believes in economy, as does the ranking minority member of the Appropriations Committee, and I may say as also does the ranking minority member on the subcommittee. We believe in economy, and yet we are faced with an international situation today that we cannot ignore.

Just a few moments ago a question was raised as to Indochina. Would anyone on this floor say today, after the events of the last 2 or 3 days, that the situation in Indochina is settled? To my mind, the situation in Indochina is just as acute today, or possibly more so, than it was this time last week. We are dealing with a fluid international situation, and in dealing with that situation we must give the executive branch of this Government our wholehearted cooperation and assistance. We must give the executive officials and agencies certain latitudes in the use of funds. That is what we have tried to do in this bill.

How much have we reduced this bill? You will find three tables in the report of the committee, and you can take your choice. The first table is found on page 2. If you will look at it you will see that our subcommittee has cut the bill $375 million. But let me call your attention to the fact that that represents a cut from the low figure in the budget or in the House authorization or in the Senate committee authorization, whichever is the lower. That is the low figure. The least we have cut from this bill is $375 million.

Now, if you want to look at it from another angle—we do not know what the authorization figures will be—let us take the high figure and see what that would amount to. If you will look on page 14 you will see a table there based upon the high figure in the House authorization bill and the Senate committee authorization. There you will see that from the high figure we have cut the new money request $542,600,000. All of you know that when a bill goes to conference it seldom comes out either with the low figure or with the high figure. So, if you want to estimate th eamount of the cut from the authorized appropriation, probably a middle figure between those two would be proper.

The significant figure appears in the table beginning on page 18, and if you will examine that table you will find that we have cut the budget request $812 million. You will also see that we have reduced the expenditures, the total amount available for 1955 as compared with 1954, $1,711,000,000.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. VORYS. I do not know whether the gentleman has mentioned the table on page 4 which shows that of the cuts made $269 million of it is from the unobligated balances and, as the committee's report shows, it may well be that the unobligated balances, if you can locate them for sure, which are not needed may exceed this figure. So that all the gentleman's committee has done in that respect is to take the money that is not yet programed and recover it for the Treasury, is that right?

Mr. GARY. The gentleman is correct, and I thank him for his contribution.

Mr. VORYS. The Appropriations Committee had a section 1111 in the supplemental appropriation bill in which a definition of what an obligation is was written into the law. Could the gentleman say whether all of the obligations that have been discussed here would come within the terms of that definition?

Mr. GARY. I may say to the gentleman that is something we have tried our best to find out, but thus far we have not been able to get satisfactory information on it. We have our committee staff and the General Accounting Office working on that problem now. We hope to obtain that information and any of those obligations which are not sound obligations will not be carried over until year but will revert to the Treasury. So it is possible that the reduction will be much larger than shown in the table.

Mr. VORYS. I would like to congratulate the subcommittee and the Appropriations Committee for their work in trying to get everyone to understand what is or is not an obligation. I think that effort will in itself result in substantial savings of money to the taxpayers.

Mr. GARY. I thank the gentleman for his comment. I think the drafting of that definition by the Appropriations Committee and the approval of it by this body, will be most helpful in the future in handling these accounts. It has been extremely difficult in the past to determine what is an obligation and what is not an obligation. We have now laid down very definite rules to determine that fact. The language may have to be changed to some extent after some experience in operating under it, but certainly the language is sufficient to put proper restraints upon the agencies in reporting their obligations, and we should have a very much better picture of that situation in the future.

Mr. Chairman, I think this is a fair and reasonable bill. We have to look at two sides of this international situation. We have to look first at the needs. We also have to consider our economic situation and our ability to pay. What our subcommittee has tried to do in this bill is to weigh carefully those factors and to report to you a fair and reasonable bill that will not unduly curtail the mutual defense program but, rather, will give that program such funds as it needs to provide for the defense of America and the rest of the free world and at the same time to keep the bill within due bounds so that we may maintain the necessary strength in our own domestic fiscal situation. I sometimes fear that possibly we do not realize how important that is. Unless we can remain strong fiscally, we cannot defend the United States of America and we canot give proper assistance to the defense of the other free nations. One of the strongest elements of defense is fiscal solvency. As the ranking minority member of this subcommittee, I will say that I think this committee has presented such a bill to the House and I shall support it throughout. I trust that it will be the pleasure of the House to adopt it as it has been presented by the committee.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, it is unnecessary to state that we are living today under perhaps the most difficult and dangerous conditions in our entire history. We are living in a world which could burst into flames at any time.

We are confronted by the armed might of the Communist Government of Russia. We are confronted by the increasing armament of the Soviet satellite nations.

We are confronted by the fact that some 800 million people, or one-third of the world's population, are now under Communist control, and that another one-third of the world's population which is today in a more or less neutral position, may well by their ultimate decision determine the fate of the entire free world.

Our best assurance against possible conflagration is to be found in a powerful and cooperative free world.

To that end we have been striving with every force at our command.

Military assistance can contribute to essential power; technical assistance can contribute to understanding and cooperation.

In considering this bill, Mr. Chairman, it seems to me important to keep in mind its world-wide scope.

This is not an ordinary appropriation bill. What we do or say here can have world-wide repercussions.

The bill should, of course, have careful consideration. It should be considered as carefully as available information permits. But drastic action in a desire for economy, in fact, any action which can be interpreted as weakness or as a retreat on our part, could have disastrous consequences.

I think it is also important, Mr. Chairman, to keep in mind the importance attached to this program by the President of the United States, by the Secretary of State, by General Gruenther as Supreme Allied Commander, and by our other military leaders at this time.

They attach the greatest importance to this overall program, supplementing as it does our own military program, as they work day and night for the strength and for the unity that is essential to success, not only among our allies, but among those neutrals who we hope will ultimately stand shoulder to shoulder with the free world against Communism.

Policy, as far as the fiscal year 1955 is concerned, has already been largely determined by the House action on the authorizing legislation.

The question here is simply a matter of dollars and cents.

We cannot administer this program from the Capitol.

In this cold war, as in a hot war, we are compelled in large measure to give our designated leaders the weapons which they require and to trust them in their application.

May I also point out, Mr. Chairman, that of the total funds carried in this bill, about 85 percent are for military assistance or direct forces support. There is only about $800 million carried for all other activities.

As has been stated, your committee recommends an appropriation of $2,895,000,000 in terms of new money, and the carrying forward of $2,312,000,000 of unobligated funds, giving a total available for obligation in fiscal 1955 of $5,208,000,000.

This figure compares with an original request of about $6 billion, and with a total available for obligation in fiscal 1954 of about $6.9 billion.

As compared with the so-called base figure which the chairman has explained in detail, the recommendation represents a reduction of $106 million in new money and $269 million in unobligated funds carried forward, a total reduction of $375.6 million.

If we compare it with the original request for fiscal 1955 the recommendation represents a reduction of $542 million in new money and $269 million in unobligated funds carried forward, a total reduction of about $812 million, making available for obligation in fiscal 1955 about $1,711,000,000 less than in fiscal 1954.

Under leave to extend my remarks, I include in the RECORD the table on page 4 of the committee report, showing a breakdown by program in terms of new money and unobligated funds for fiscal 1954 and fiscal 1955.

Summary of bill

Item	Available, 1954	Estimates, 1955 [1]	Recommended, 1955	Bill compared with—	
				Available, 1954	Estimates, 1955
Military assistance:					
Appropriation	[2]	$1,580,000,000	$1,341,300,000		−$238,700,000
Unobligated balance	[2]	2,539,392,283	2,273,912,729		−265,479,554
Total	$4,419,416,947	4,119,392,283	3,615,212,729	−$804,204,218	−504,179,554
Direct forces support	979,581,564	945,000,000	776,000,000	−203,581,564	−169,000,000
Defense support:					
Appropriation	[2]	489,232,615	432,000,000		−57,232,615
Unobligated balance	[2]	18,547,385	15,000,000		−3,547,385
Total	720,767,687	507,780,000	447,000,000	−273,767,687	−60,780,000
Development assistance	302,355,500	224,000,000	184,500,000	−117,855,500	−39,500,000
Technical cooperation	107,454,161	131,528,000	101,500,000	−5,954,161	−30,028,000
Other programs:					
Appropriation	[2]	68,789,190	60,644,000		−8,145,190
Unobligated balance	[2]	24,144,060	23,563,250		−580,810
Total	389,996,448	92,933,250	84,207,250	−305,789,198	−8,726,000
Total, Mutual Security:					
Appropriation	4,531,507,000	3,438,549,805	2,895,944,000	−1,635,563,000	−542,605,805
Unobligated balance	2,388,065,307	2,582,083,728	2,312,475,979	−75,589,328	−269,607,749
Total	6,919,572,307	6,020,633,533	5,208,419,979	−1,711,152,328	−812,213,554

[1] Budget estimates of new appropriations, and unobligated balances as reported by FOA.
[2] Distribution of program figures between appropriation and unobligated balances not available.

You will note that if we add the total carried for military assistance, of $3,615,000,000, to the total carried for direct forces support of $776 million, it gives a total for the 2 items of about $4,391,000,000, or just about 85 percent of the total carried in the bill.

Included in this total is the $712 million fund which has been referred to, applicable to southeast Asia and the western Pacific.

This fund is in effect an emergency fund appropriated to the President with complete flexibility so that it can be applied all the way from Burma to Japan, as the situation develops from week to week or month to month.

In my judgment, the fact that fighting has ceased in Indochina does not mean that the situation as a whole is any less dangerous. In fact, it may well increase the danger and the need for this emergency fund.

As to the other 15 percent of funds recommended in this bill, you will see in the table referred to that it is broken down into 4 categories, as follows:

First. For defense support, mostly in the Far East, $447 million.

Second. For development assistance, mostly in the Near East, India, and South America, $184,500,000.

Third. For technical cooperation, in relatively small sums in 16 countries in the Near East, 5 in the Far East, and in the 21 Republics of Latin America, $101,500,000.

Fourth. For so-called other programs listed on page 3 of the report, $84,207,000.

These programs, Mr. Chairman, your committee has considered item by item as carefully as available information has permitted.

I realize that this question has always cut squarely across party lines. I know that there are those who, in the interest of economy, would like to reduce further the sums recommended by your committee.

I appreciate fully the shortcomings of FOA and its predecessors in the past. I also appreciate the shortcomings of today, notably in the accounting and obligating fields referred to in some detail in the committee report.

These can and must be eliminated.

However, Mr. Chairman, looking at the picture as a whole, it is my belief that it is changing for the better.

The program is now largely one of military assistance. Economic aid is being drastically reduced. The overall cost of the program is dropping substantially. The total overall available for obligation in 1955 is $1,700,000,000 less than in 1954. Provision is included in respect to offshore procurement designed to safeguard our mobilization base and to contribute to national defense and to the national economy.

I look for further progress as the shortcomings referred to are eliminated.

Just as in our military picture we have had for years conditions in the field of accounting that have been almost unbelievable, we have found in this field similar conditions.

Those conditions, as I have said, are improving. They can and must be eliminated.

Mr. Chairman, we are fighting a cold war in which every possible ally is vital.

Because we are disappointed with results to date is no reason for retreating.

I regard this overall program, properly administered, as vital to our national defense and vital to the defense of the free world.

I am certain that President Eisenhower, and those close to him in the conduct of the cold war, are of the same opinion.

I am confident that this House will vote those funds which are essential, in order that the hands of our chosen leaders may not be tied, in order that our position may not be misconstrued abroad at this crucial period in the world's history.

Mr. Chairman, I yield back the balance of my time.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

(Mr. FOGARTY asked and was given permission to revise and extend his remarks.)

Mr. FOGARTY. Mr. Chairman, the reason I take the floor at this time is to refer to an editorial which appeared in the New York Times on yesterday morning. On leaving the hotel and driving down to the Capitol yesterday and reading the New York Times, I finally came to the editorial page and read the editorial which blamed the gentleman from New York, JOHN TABER, the chairman of the Committee on Appropriations, and his committee, for the deep cuts which were made in this foreign-aid program. I attended the meeting of the full committee on last Saturday, which was the longest meeting of the full committee that I have attended this year. I want to say to the editorial writers of the New York Times and any other newspapers that if they had had the opportunity of attending that meeting, they would never write the editorial they wrote yesterday morning because the gentleman from New York, JOHN TABER, as chairman of the Subcommittee on Appropriations handling this particular appropriation bill and as chairman of the full Committee on Appropriations did as much or more than any other member of the committee to prevent further cuts, than those that had been made, in the bill we have before us at the present time. And if it had not been for the gentleman from New York, JOHN TABER, we would not have as good a bill as we have at the present time as far as the administration is concerned.

I have been a member of this committee for the past 8 years. I have heard many men and women in public life, not only in Congress but out of Congress, take credit for balancing the budget or attempting to balance the budget of this country. In my humble opinion, no man in public life or in the Congress on this side of the Capitol or on the other side has done more in the 8 years that I have been a member of this committee to help balance the budget of this country than has the gentleman from New York, JOHN TABER, the chairman of the Committee on Appropriations at the present time and the gentleman from Missouri, CLARENCE CANNON, who was formerly chairman of the full Committee on Appropriations. Those 2 men, in my humble opinion, have done more to cut out unnecessary Federal spending and have done more to try to balance the budget than any other 2 men in or out of the Congress in the 8 years that I have been a member of this committee. I just do not like to read editorials, especially editorials like the one of yesterday morning, blaming a man for something he is not responsible for. If they knew the facts, they would be praising him instead of condemning him.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have heretofore taken the position in the discussion on appropriation bills for the MSA that I would move to restore all cuts made by the Appropriations Committee in the requests of the President, on the ground that those really represented a vote of confidence in the President in the handling of foreign affairs.

We are facing a peculiar situation this time, in that there is no authorizing legislation. We have passed a bill which is authority if it becomes law. The Senate has not even acted on the bill. One has been reported by the Senate committee. Therefore, there is very little which can be done beyond the ceilings placed either by the House itself or by the Senate committee. As a result, the area in which amendments may be properly made to buttress and support the President's position is extremely limited.

One amendment that I had intended to make, which I shall not make, is on infrastructure. That represents contractual obligations for the building of airfields and other installations on a 3-year program with our allies, in which we contribute something less than 40 percent of the total, a very wise plan for the United States. But it has been explained and we must rely on that explanation, that what the Appropriations Committee allowed is actually money that the United States really requires on a contractual basis. I intend to rely upon the representations of the chairman of the Appropriations Committee on that subject.

That leaves four items which need to be dealt with if we are to sustain the President's position and his requests.

Those are, first, development assistance provision for India, in which this committee has allowed some $25 million less than the House authorized and $15,500,000 less than the Senate committee authorized, and that does not represent a Senate figure either, so that it is properly a subject for amendment.

Second, restoration of $12 million for bilateral technical assistance.

Third, restoration of some $17 million for our contributions to United Nations technical assistance; and finally, an appropriation of $500,000 for hard-core refugees being cared for by the United Nations agency, which is in the House bill but not in the Senate bill. The Senate has not yet had an opportunity to act on that matter, which is a humanitarian question. Therefore, we cannot quarrel with that until such time as the Senate decides to make that obligation a law. An amendment would be subject to a point of order anyway. So we really get down to these three fundamental matters, development assistant, technical assistance, and United Nations technical assistance, which will properly be subject to amendment. There will probably be other amendments by others, but I have described what I consider to be the position for those who wish to uphold the hands of the President in his request to the Congress upon this mutual-security program at this particular time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I am glad to be a member of the Committee on Appropriations. All members of this great committee work unceasingly and untiringly to eliminate nonessential Federal expenditures. The members of the Appropriations Committee are conscientious and each member has contributed greatly to the well-being of our country.

I have nothing but praise for the distinguished chairman, JOHN TABER, and the distinguished former chairman, CLARENCE CANNON. It is only natural that you would come to know members of your own subcommittee better than you do other members of the committee. It has been my privilege to serve for many years under VAUGHAN GARY, of Virginia, former chairman of the appropriations subcommittee handling funds for the Treasury and Post Office Departments. A more sincere and conscientious Member has never served in this body, but regardless of my admiration for the members of the appropriations committee, I do not like the bill that is before us and I cannot with good conscience support it.

In the end the House will work its will and every Member will vote his own convictions, but as a member of the appropriations subcommittee handling the bill I must properly discharge my duty and comment briefly on the so-called mutual security appropriation bill. It is not my purpose to trifle with your feelings but I cannot constrain myself from labeling this bill the "Santa Claus bill."

I have opposed this worldwide spending program from its conception back in

1947, believing at that time that once we started this worldwide giveaway program that there would be no stopping place and that it would continue to grow and spread. If you will check the record you will discover that every year more programs are added, old programs are broadened and additional nations are brought in for a handout.

Last year when I spoke on the bill, I pointed out at that time that 56 foreign nations were participating in some phase of the handout program. I do not believe that any Member of this body could conceive that additional nations would be brought into the program. However, this year the Foreign Operations Administration managed to pick up 5 new nations, so in the bill before you there are funds of some kind for 61 nations of the world.

You will hear the same argument advanced this year in favor of the bill that you have heard in the past, that the funds requested are in the interest of our own national security, but according to developments of the past few months it would not appear that we have succeeded in buying friends. I think it is true that all the recipient nations of this program are accepting our money and then doing just what they want to do. Our leaders are beating their brains out trying to force some of our so-called friends in Europe to join the European Army plan, but they have not agreed to come in and, in all probability, they never will.

As I pointed out last year, the public debts of all the nations of the world combined amounted to only $207,505,997,454, whereas, the public debt of the United States was $266 billion. I did not attempt to bring these figures up to date this year, but it is my understanding that the public debts of some of the recipient nations have decreased, whereas our own public debt is continuing to increase. On the basis of our present public debt of $270 billion, our public debt is approximately $63 billion more than the combined public debts of all other nations in the world. Now, if we pass the bill before you, it simply means that the Foreign Operations Administration will have available to spend $12,605,419,979, broken down as follows:

1. Obligated but unexpended	$7,397,000,000
2. Unobligated funds on hand from prior appropriations allowed by the committee	2,312,475,979
3. New appropriation	2,895,944,000

This makes a grand total of $12,605,419,979 in the Foreign Operations Administration's handout bag.

It is still being argued that the bill does not now provide for too much economic aid; it provides military aid. But so far as I am concerned it is the same thing. If you pick up the foreign nations' expense checks on military, you leave their own revenues available for economic aid. So, in reality, it adds up to the same thing.

There were encouraging rumors in both branches of the Congress last year that that would be the last big handout for this worldwide spending program, but evidently something has happened because we have broadened many of the programs and brought in new nations. In my considered judgment, we have allowed something to be brought into being that will not be stopped until our own economy has been wrecked.

I hope that the House in its wisdom, since it is determined to pass this measure, will at least endeavor to reduce the total amount available to $12 billion. This would be a reduction of $605,419,979. On this basis the Foreign Operations Administration could operate full steam ahead for about 4 years. When the House passes this bill, it is my sincere wish that the House insist that its position be maintained. You will recall that last year after we passed the bill, the other body raised the House figure in excess of one-half billion dollars. By referring to the unobligated carryover, it is obvious that it was a mistake to accept the higher figure of the other body last year.

(Mr. WOLVERTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WOLVERTON. Mr. Chairman, the appropriation provided for in this bill, making appropriations for mutual security for the fiscal year June 30, 1955, H. R. 10051, appropriates a total of $2,895,944,000 new money, and in addition a total of $2,312,475,979 of unobligated funds are continued available. This constitutes a total of $5,208,419,979.

The moneys appropriated by this bill, we are told, will be dispersed in 61 different countries throughout the world. Is it any wonder that we have an unbalanced budget and continuing heavy burden of taxation to be carried by our people. Why is it necessary that we should continue to dispense the funds of our people to the four corners of the world? How long are we expected to do so?

The only encouraging thing presented in the report of the Appropriations Committee is the fact that last year the bill appropriated $6,919,572,307 and this year $5,208,419,975. Thus there is a saving, by reduction this year of $1,711,152,428. While there is a certain sense of encouragement in the knowledge that the sum apropriated this year is less than a year ago, yet it is discouraging to realize that we are expected to appropriate the huge sum of $5,208,419,975. This is a tremendous sum of money. I do not believe that many of our citizens fully understand how great it is. Let me illustrate in a very simple way that will be easily understood and readily remembered. Consider for a moment that a person was born in the time of Christ and received $1 for every minute of time from then until the present, and was able to keep each of those dollars, do you realize that the total of this time would be slightly less than $1½ billion. Consequently in this bill we are appropriating what amounts to approximately $4 for each minute of time in the last 1,954 years. Do you agree with me that this is a tremendous sum? Do you not also realize that if we cut the proposed appropriation in half it would just about enable us to have a balanced budget?

Let us look at it another way, to wit, from the standpoint of what it could provide for our own people. An appropriation of $5 billion spent in the United States, instead of in countries all over the world, would pay for the construction of 2,500 hospitals, costing $2 million apiece, or 5,000 school buildings at a cost of $1 million each, or 10,000 such schools if the cost was $500,000 each. Think of what it could do in terms of the necessities that exist in this country of ours, nursing homes, hospitals for the chronically ill, diagnostic and treatment centers, facilities for the rehabilitation of handicapped persons, and all the other and varied uses of a worthwhile character. Consider also for a moment the reduction in Federal taxes that could be given to persons of low income and to others as well, or the vocational and college educations that could be given to worthy young people. The uses to which these moneys we now send abroad, could be profitably spent in this country in promoting the welfare of our people are limitless.

In making this statement I am not insensible to the fact that there may be justification in some instances to appropriate funds for use abroad, but I do contend that it is neither right nor just to spend abroad with such a lavish hand that we are thereby prevented from doing so many of the things that we acknowledge are necessary to promote the welfare of our people. Living conditions in many of our large cities, and smaller ones as well, are in many instances appalling, and yet these slum conditions are permitted to exist year after year because of lack of money to finance their eradication.

We are told that the appropriation of these vast sums of money, such as in this appropriation bill, are necessary to stem the tide of communism and to give us national security. If that be true then we are either not spending enough abroad or wasting what we do spend. Notwithstanding we have in the last few years expended upwards of 40 or 50 billion dollars for this purpose, we are faced with the fact that communism continues to gain. Within recent days the Communists have taken over a good part, and, the best part of Indochina, with 11 million of its people, although we have spent more than a billion dollars of our money in supporting the French. Today, notwithstanding the billions of dollars we have poured into France and Italy, neither of them has entered into EDC, designed to strengthen European defense against communism. Furthermore, notwithstanding the billions of dollars we have given to England, it is constantly seeking trade with Russia, and demanding that Red China be permitted to join the United Nations although its hands are red with the blood of American boys shed in Korea. All of this proves to me that the policy of giving, giving, and still giving has gotten us nowhere in getting real genuine friendships to the extent that we had a right to expect. And I am fearful that as time goes on, and, each of the nations become stronger, they will forget us and our generosity in the hour of

need. I hope that such will not be the case, but there are sufficient indications that create at least just grounds for real fear that such might be the case.

America cannot afford to continue to spend as it has done in the past. We must give serious consideration to our financial stability. If we fail there would be chaos in the world. Therefore, we must make sure that we can do all we would like to do. Our national security demands that we remain financially strong. To be otherwise is to jeopardize our future usefulness. America must remain strong and it is our duty in this day and generation to do our part to so maintain it. Let us with care examine the situation that confronts us and make certain that we can in justice to ourselves as a nation do what is now requested.

The task of acting wisely is extremely difficult because so many elements of information are not available to us. Time and again during the debate it has been made plain that important information, that has a direct bearing upon the subject, has not been included in the printed hearings because of security reasons. Thus, it is necessary to take much on faith. Faith in the persons who are in a position to know all the underlying and secret information. In this category is our President. It would be foolish to think that he does not have much more information than the individual Members of Congress. Furthermore by reason of his long experience in Europe, as the commandant of the allied armies, and, his subsequent contact with all the leaders of the nations of the free world it must be assumed that he knows all the material facts. Thus it comes down to a question of whether you have confidence in President Eisenhower. I have such confidence and in the final analysis will support this legislation because he has asked for it, but, I am personally of the opinion that we must continue a close examination during this present fiscal year to the end that appropriations of this character shall be greatly lessened or curtailed next year.

(Mr. HARVEY asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. HARVEY addresed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. DAVIS].

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Chairman, like my respected colleague and friend who preceded me, I have the greatest of respect for every member who serves on this subcommittee. And, like him, the comments that I intend to make are made entirely because of my strong feeling with respect to this appropriation and because I believe that it is my responsibility to express a minority point of view that needs to be called to the attention of the members of this committee.

Mr. Chairman, I voted for the foreign-assistance program back in its inception in 1947, and I continued to vote for the authorizations and continued to vote for the appropriations until the time came when I realized that among those who were responsible for this program there was no intention of ever bringing it to an end. Then I stopped and I voted against the authorizations and the appropriations just as I intend to vote against this appropriation when the roll is called here today.

In 1950 I served as a member of a committee of Republican Members of the House which issued a policy statement in which we said, in essence, that we approved of a program of this kind provided we could see the end to it. And, I submit to you that if we permit this to continue in the scope that is contemplated in this bill, you cannot see the end to it any more than I can see the end to it.

I have no quarrel with those who believe that a program of this kind is justified, but I do very strongly believe that with this program, in this scope, which virtually writes a blank check for the distribution of funds to 61 nations throughout the world, that we, feeling a responsibility for the appropriations of this Government, cannot in good conscience continue to support it.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. Does the gentleman see any end to the Soviet plan of aggression and infiltration all over the world?

Mr. DAVIS of Wisconsin. No, I cannot say that I can see any end to that program.

Mr. VORYS. Does not the gentleman believe that our resourceful and courageous resistance to that program should not end until their threat of aggression ends?

Mr. DAVIS of Wisconsin. I said I have no quarrel with those who will support a program, but I do quarrel with those who expect the Committee on Appropriations to write a blank check for the executive department to distribute among the nations of the world. I cannot help but believe that thinking prevails here similar to the kind of response that we got in our Subcommittee on Military Construction about a month ago when we had under consideration a joint construction program with another nation; we tried to find out the basis upon which the cost of that should be shared. The answer that I got, in response to an inquiry, was, Well, they are going to contribute up to the limits of their economy and then we are going to come in and finance the balance of it.

That kind of thinking has no place among those who would spend the resources of a nation whose financial condition is that in which we find ourselves. If we are to measure the ability of this Nation to contribute in relation of the debt of our Federal Government to the gross national product of our country—and evidently that is the standard that is used by those who try to figure out the contributions we are supposed to make to these various international organizations, let us do a little comparing here.

The Federal debt of the United States, as of the latest figures that I could get, is 74 percent of our gross national product. Italy's is 36½ percent. Norway's is 53.3 percent. Spain's is 26 percent. Belgium's is 67 percent. Denmark's is 33 percent; France's 37½ percent; Germany's 32 percent; Israel's 85 percent; Turkey's 22 percent; Japan's 12 percent; the Philippines 10 percent; Brazil's 7 percent; and Mexico's 4 percent.

In other words, among those nations for which figures were made available and some others that I computed from other figures that were made available, I could find only three nations among those that were so considered in this program that had a greater proportion of their gross natural product involved compared to the debt of the central government. Those were the United Kingdom, Israel, and the Netherlands. If that is to be the standard of the ability to pay, all the rest of the civilized world is in a better condition to contribute than is the Government of the United States.

No one will deny—at least I never heard anybody on the Committee on Appropriations deny—but what the obligations within this program have been very sloppily handled. No one will deny—at least I have never heard anyone on the Committee on Appropriations deny—that if we were confronted with any other program than this, where there was enough money unexpended to carry on the program for 2 years at its accustomed rate without a new dollar being appropriated, enough money unobligated to carry on the program in accordance with the way they anticipated carrying it on for a half a year on unobligated money without a new dollar, I do not think anybody will deny but that we would take a very long look at that kind of a fiscal situation before we even thought of adding additional billions of dollars to the pool, as is contemplated by this measure.

Oh, I could point out some specific things. I could mention, for instance, a program to assist Denmark to increase its productivity and improve management and marketing techniques. Out in our dairy section of the country, at least, we have already learned a great deal about management and marketing techniques, such as cooperatives, and things of that kind, from the Scandinavian countries. I do not know why we should be assisting them in learning marketing techniques when already they have dominated the market of continental Europe for bacon and dairy products.

It reminds me of the project of the previous administration of bringing people from the governments of Europe over here to teach them how to balance the budget.

At the proper time it is my intention to offer 2 amendments to this bill, one of them to reduce the unobligated balances for military assistance by $300 million, and the other to reduce the

appropriation of new funds for southeast Asia and the Western Pacific by $212 million.

To my way of thinking, and I offered these same amendments in the full committee, these are closely related amendments. They are based on developments in Indochina and in Europe which occurred after these justifications were prepared and after the majority of the consideration of the request was made by the subcommittee.

I know that all the arguments of psychology and fear will be used against those amendments, but I do not think responsible Members will deny that we certainly do have a responsibility when justifications are submitted to the Appropriations Committee on one basis, to take another look at the amount of money involved in that kind of appropriation and have a rejustification based on the new concept as a result of things that have happened within the course of the last week, before we ought to go ahead and appropriate this kind of money.

I do not say they will not spend every dollar of this money in those areas of the world that are included in here, but I do say that the Appropriations Committee might just as well close up its books and go home if we are going to appropriate the same kind of money for an entirely new purpose as was contemplated at the time these justifications were submitted to us.

I simply do not believe the Appropriations Committee or the House of Representatives should write that kind of a blank check.

Mr. GARY. Mr. Chairman, I yield 45 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, our form of government is unique in the history of the world. Never before have any people governed themselves so successfully with such universal diffusion of equal benefits to all.

And our international relations with the other nations are likewise exceptional. From the earliest dawn of recorded history nations have sought to conquer and subjugate their neighbors and appropriate their wealth and territory. But the United States, for the first time in the annals of mankind, has fought no wars of conquest, has sought no advantage at the expense of sister nations. On the contrary, it has endeavored to bring to every people in every land the liberty and prosperity of its republican form of government and its democratic institutions.

When the incalculable riches and potential wealth of the Philippines were thrown into our lap, we spent billions of dollars in rebuilding their cities, establishing their financial system, rehabilitating their agriculture, modernizing their school system, humanizing their industrial relations, and then, without the retention of a single dollar in value or trade advantage, we introduced the new republic to full-fledged membership in the sisterhood of nations.

When Cuba, the pearl of the Antilles, was ceded to the United States and both Cuba and the world took for granted that this great territory would be promptly annexed as a part of the Republic, we made them a free people and established them as a free and independent nation.

For more than 100 years, we have been sending missionaries to China, India, and Burma carrying the gospel of the lowly Nazarine. Hundreds of millions of dollars have been spent by our churches and church people, disseminating the message of good will and peace on earth, and with its medicines and surgical skill and sanitation to alleviate physical and mental as well as spiritual maladjustments.

They took our free rice and free hospitalization but today after more than a century of unselfish service and sacrifice there remains hardly a vestige of the faith or of the vast sums contributed, often in pennies, by the church people of America in response to the divine command, "Go ye and teach." And in no lands is there more bitter criticism of the United States than in China, India, and Burma.

In recent years we have donated to Europe, at the expense of the American taxpayer, such astronomical sums as stagger the finite mind of man. In addition to the huge contributions of the American people to the First and Second World Wars, they have given since the end of World War II alone, more than $50 billion. When the $16 billion appropriated in this session of Congress are added, we will have sent across to allies in 8 years in excess of $66 billion. And communism in Europe and Asia is today stronger and more insolent and more dangerous than ever. We have given, in our efforts to preserve the peace of the world, the largest sums ever given by one nation to another. And we are the most hated nation in the world today.

It was American armies, American ships, American arms and American food that won the First World War. Again in World War II it was American men and materiel—American dollars and diplomacy that saved England, France and Russia. London was in conflagration. The enemy was hammering at the gates of Stalingrad. The heel of Hitler was on the neck of France and his armies were in complete and undisputed control from the English Channel to the Mediterranean. None of the three could have survived without us. But today instead of Uncle Sam it is Uncle Sucker.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. If the gentleman will permit me, I will finish my statement and then I will be delighted to yield.

Mr. JUDD. My purpose is to call attention to the French nurse who is in the gallery.

Mr. CANNON. I yield to the gentleman.

Mr. JUDD. Mr. Chairman, I appreciate the gentleman's courtesy in permitting this short interlude. One of the things that always thrills everybody in the world is courage and devotion to duty, especially when under most trying and dangerous circumstances. I appreciate the opportunity to call attention to the presence in our gallery——

The CHAIRMAN. The gentleman from Minnesota will suspend. The Chair regrets extremely——

Mr. JUDD. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. The gentleman may not proceed out of order for the purpose which he manifestly intends to use the time. The Chair regrets extremely that he must so hold under the rules of procedure of the House. We are all conscious of the great heroism of the person to whom the Chair knows that the gentleman wishes to allude, but it is a matter of extreme regret that because of the rules of the House, reference may not be made to anyone in the gallery.

Mr. JUDD. I shall not say anything about the gallery. I shall say she is on the Hill today.

The CHAIRMAN. The Chair greatly regrets that under the rules of procedure of the House, the gentleman must be denied the privilege of introducing anyone in the gallery which, I know, every Member of the House would greatly appreciate in this instance, if it were possible under the rules.

Mr. JUDD. Mr. Chairman, I had no intention of introducing anyone in the gallery. Is it not possible to refer here to persons who are in our country?

The CHAIRMAN. It is not possible to refer to any person in the gallery.

Mr. JUDD. May I not call attention to a most distinguished visitor in our country today?

The CHAIRMAN. The gentleman may refer to one who is in our country.

Mr. JUDD. Well, then, I should like to refer to the distinguished heroine of Dien Bien Phu who we, in the United States, are happy these days to welcome to our shores and to our city, and to pay tribute to her as a person whose heroism is acclaimed by all, and as a symbol of all women of the world who in times of great crisis and peril are faithful to their duty, particularly that of ministering to men wounded in the defense of freedom. We pay tribute to her wherever she may be in our country at the present moment.

I thank the distinguished gentleman from Missouri for yielding to me.

[Mr. CANNON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I yield 14 minutes to the gentleman from California [Mr. HUNTER].

(Mr. HUNTER asked and was given permission to revise and extend his remarks.)

Mr. HUNTER. Mr. Chairman, I welcome this opportunity to bring to the membership of the House some of my observations, ideas and recommendations regarding the agricultural technical assistance program carried on by the United States Government in foreign areas. This program involves the expenditure of a considerable amount of money—American taxpayers' money—which makes it a matter of vital interest to this body.

POINT 4 PROGRAM—AGRICULTURAL TECHNICAL ASSISTANCE

Agricultural technical assistance work and agricultural matters, generally, are of great concern to me, representing as I do, one of the most productive and diversified agricultural areas in America, and serving as a member of the House committee on agricultural appropriations.

Agricultural technical assistance is an important part of the so-called point 4 program, which our country launched upon the world 5 years and some months ago—the proposal that the United States and other industrially advanced nations should pass on their skills and, as far as possible, their surplus capital to underdeveloped countries.

Secretary of State John Foster Dulles has stated that the time has come for an agonizing reappraisal of American foreign policy. The point 4 program is a part of our foreign policy. It is my opinion that this program is itself in need of reappraisal. Some very realistic thinking is in order. A new impetus is urgently needed if the whole project is not to wither away.

COMMITTEE INVESTIGATIONS

It was my privilege last fall, together with four of our colleagues, to participate in a tour of inspection of some of our foreign aid operations, particularly the agricultural technical assistance phase of the foreign aid program. Mr. H. CARL ANDERSEN was chairman of our group. Others were Messrs. BEN F. JENSEN, CHARLES W. VURSELL, and MELVIN R. LAIRD.

Our trip commenced September 4, on which date we sailed from New York, and ended November 16 with our arrival in San Francisco. Twenty-four countries in all were visited by one or more members of the party. I personally visited England, France, Belgium, Holland, Germany, Turkey, Lebanon, Syria, Jordan, Israel, Pakistan, India, Thailand, Hong Kong, Okinawa, Korea, and Japan.

In passing upon the expenditure of funds for our Government's activities, it is very helpful for one to be able to see with his own eyes just how those activities are carried on. A Member of Congress, sitting in a committee room, has, for the most part, only the testimony of employees of the executive branch of the Government upon which to base his decision as to how much money should be appropriated for this or that activity. Without intending to reflect adversely on the integrity or veracity of such individuals, it is a fact that they are subconsciously, if not consciously, possessed of a prejudice in favor of the respective governmental functions in support of which they appear. It is, therefore, extremely helpful for members of the Appropriations Committee, who have the responsibility for appropriating money for the activities of Government and allocating available revenues in as fair and equitable a manner as possible among such activities, to get out and see firsthand what is actually being done with the taxpayers' dollars. Not only is such procedure revealing in itself, but it enables a Member to better understand and more accurately evaluate the testimony which is presented at committee hearings.

An equally important benefit resulting from the type of investigation which we made is that it affords one a relatively broad and current perspective of the total world situation, thus providing guideposts by which to judge how best to cut the budget pie in support of our Nation's activities abroad. Lack of such perspective is an occupational disease with many of our Government's overseas representatives. The virus is strong and persistent. With rather infrequent exception, each mission tends to favor and support the position and demands of the country in which it is situated. To illustrate, we found the general feeling among our people in Pakistan to be that Pakistan was receiving less than its fair share of aid in comparison with India. In India, however, our mission representatives were convinced that India, rather than receiving an unduly large share of foreign aid funds, was, in fact, not getting enough and that the existing ratio of grants between the two countries favored Pakistan.

IMPORTANCE OF QUALITY IN PERSONNEL

I wish to stress the paramount importance of quality control in the selection of personnel for foreign agricultural assistance work. Our reputation as expert in the field of agriculture and the acceptance of our ideas and practices rests largely in the hands of the people we sent abroad. If they perform well, our reputation is maintained and enhanced. Our ideas and practices will continue to be accepted. If they fail, no matter how well we may do here at home, our reputation abroad is impaired. One is reminded of the old saying, "One rotten apple can spoil the whole barrel."

Certain qualities are required of technical assistance personnel in foreign areas. They are technical knowledge, adaptability to environmental changes, and ability to work with and get along with people.

Unfortunately, there has not been enough quality control. The situation was aptly described to me by a member of one of the technical assistance missions. When the program was conceived, someone must have rolled out a map of the world and covered it with pins, each pin representing a project. No one thought to first ascertain whether expert personnel was available to man these projects. Furthermore, no one thought to ascertain whether the foreign countries embraced by the scheme were really in favor of those projects set up within their respective boundaries.

The result has been more than a few square pegs in round holes and noticeable impairment of America's reputation in the field of agriculture. It is bad enough that some have been found temperamentally unfit for foreign service. It is inexcusable that a considerable number do not know their subjects.

I would be less than fair, however, if I did not state that by far the majority of our Government's representatives abroad are sincere, industrious individuals working, in many cases, under adverse circumstances. While we found some evidence of rather plush living, many of these people are living under conditions definitely below American standards. It takes more than a little fortitude to stick by a job when a young son is stricken with trachoma, the wife is afflicted with a serious eczema, and you yourself are besieged with dysentery. This I have seen.

The program has been greatly in need of tailoring, and happily that is taking place, though not as rapidly as some would hope. There is need for emphasis on quality and achievement—not mere coverage of the map. It is better that a slot not be filled at all than to fill it with someone who will not or cannot do the job right. The stakes involved are too high. We need the best. The people we are trying to help do not possess our technical skills, but they are very capable of quickly discovering whether or not an instructor we send them is himself skilled. If he does not know his subject, their faith in us is shattered, and suspicion as to our motives is aroused. We must be careful not to make the program a refuge for misfits or a rest home for the aged.

LENGTH OF ASSIGNMENT

A factor bearing on the matter of quality and effectiveness of performance is that of length of stay on an assignment. Two years of duty is standard at the present time. This, in many instances, is not long enough. Most missionaries stay out 6 years or more on a particular assignment. Of course, there is a danger, also, in remaining away too long. As Congressman WALTER JUDD, of Minnesota, a former medical missionary to China, once told me, "No missionary to China should stay out more than 10 years. After that, he begins to think and even look like a native."

PROGRAM NEEDS LIMITING

There is a tendency for a program such as agricultural technical assistance to become enlarged into a worldwide WPA. It has been my observation that the real friends of the program desire to limit it to its original purpose of sharing our technical skills with people in underdeveloped areas, with materials and equipment being provided for demonstration purposes only. There are those that feel otherwise, of course. They would like to capitalize these areas—provide each farm with a tractor, a plow, a well, and a pump, and furnish fertilizer for every acre of soil. Such an approach to the problem is not only inadvisable, but impossible.

In the first place, experience shows that whereas gifts and loans are as likely to make enemies as friends, true understanding between nations often begins when men work together with their coats off at a common task. Secondly, the presence of foreign advisers is neither as humiliating nor debilitating to a poor country as other forms of aid can be. Thirdly, it is difficult to justify a program of foreign economic assistance, including such projects as dams and reservoirs for flood protection, irrigation, and electric power, at the expense of American taxpayers, when in order to balance our Federal budget we must deny funds for much-needed public works projects in our own country.

DEMAND FOR CAPITAL GOODS

We found that foreign countries are not the least bit shy about asking for American aid for capital expansion. I recall our visit to the Lebanese Agricultural Research Center at Terbol being built cooperatively by the United States and Lebanon. In Lebanon, we are providing expert services and demonstration equipment and materials. We were gathered together at the research center, exchanging amenities, when the Secretary of Agriculture of Lebanon spoke up to thank us for our help. He went on to say, however, that "telling them how" was not enough. What we should do was to provide the tractors, plows, and so forth. We should make them available free of charge, of course.

The underdeveloped countries of the world are not completely devoid of capital nor are they incapable of producing new capital.

Situated near the Lebanese Agricultural Research Center and the famous ruins of Baalbeck, constructed by the Romans, including the famous temples of Jupiter and Bacchus. It is a gigantic public-works project. Nothing has been constructed before or since in that region to equal it in size and grandeur. Still standing are columns of marble, weighing 20 tons, quarried in Egypt, transported down the River Nile by barge, then by ship along the coast, finally over land on log rollers to the project site. All this, nearly 2,000 years ago, and all with local labor and materials. And, as our guide, a local citizen, facetiously remarked, "It was done without point 4."

In the city of Bierut, I talked with a wealthy Lebanese, who lived in a mansion lavishly furnished, the like of which is seldom to be seen even in the United States. He was one of those who bemoaned the fact that Lebanon could not afford to buy the capital items which were needed if that country's agricultural production was to be materially increased. Therefore, he argued, the United States should make a gift of same.

I would have been far more sympathetic to the gentleman's plea if it had not been for the fact that he paid far less income tax than I, although he was many times wealthier; further, that he was unwilling to invest any of his own wealth in Lebanese agriculture. Instead, he kept his assets in such forms as inventories, Swiss bank deposits, and United States securities.

Why, I ask, should American citizens be taxed to capitalize Labanese agriculture, if the Lebanese themselves, even when able, are unwilling to do so?

EFFECT OF PROGRAM ON OUR OWN ECONOMY

In our enthusiasm for the foreign agricultural technical assistance program, we must not lose sight of the fact that it is not an end in itself. It is justified merely on the basis of its value as a factor in advancing the well-being, prosperity, and security of the American people. For that reason, it is necessary that we carefully evaluate each part of the program in terms of not only the improvement brought about in the economic conditions of the people of foreign nations to which aid is given, but also in terms of the favorable or adverse effect on our own economic life.

At home we are faced with a very serious problem in managing and disposing of agricultural surpluses. Our farmers are producing more food and fiber than can be consumed in the domestic market. Exports are down considerably due to both new and restored productive capacities in other countries.

Investments of the Commodity Credit Corporation in surplus commodities now total close to $7 billion. The statutory limit is $8½ billion. Because it is very possible that that limit will be exceeded before Congress convenes next January, the Secretary of Agriculture is asking that CCC lending authority be increased to $10 billion.

There is within the Department of Agriculture an agency known as the Foreign Agricultural Service. This agency has a number of functions, including participation in an advisory capacity in the foreign agricultural technical assistance program. Another function of this Service, and at the present time the most important and most urgent, is to find a home abroad for American agricultural products. The first function named must not be allowed to defeat the second. This can happen, however, unless changes are made in the course of the technical assistance program as it is currently chartered.

One of the most interesting projects being undertaken in India is the Bhadson pilot extension project. This project is located in the state of Pepsu. Inaugurated in 1953, it is one of a number of Ford Foundation project being run in blocks of approximately 100 villages each in different states.

The Bhadson project receives United States Government aid in the form of agricultural experts; equipment, such as wells, tractors, plows, and so forth; and materials, such as fertilizers and insecticides, and so forth.

The cotton extension work is one of the special features of the Bhadson project. Efforts have been concentrated in replacing indigenous varieties with American, and popularizing the method of line sowing to decrease the cost of cultivation; also, the use of fertilizer and irrigation water to supplement natural rainfall. The results are astounding. American varieties have almost completely replaced the native stock in 2 years' time. Staple length and yields have increased 100 percent In addition, the acreage has doubled in this particular project area. The Pepsu state director of agriculture advised me that there are almost a million acres of land that can be reclaimed in Pepsu alone.

India has been raising about 4 million bales of cotton a year and consuming about 5 million. Because of the very short staple length of its indigenous varieties, it has had to import considerable quantities for its textile industry. The United States has shared in that business. What will be the effect of the introduction of improved American varieties, increased acreage, and better farming practices, brought about in substantial measure as a result of American aid? The answer is painfully clear. Imports of long staple cotton from the United States will decrease and eventually disappear. It is an open and declared policy of the Indian program to make India self-sufficient in long staple cotton. But, will India stop there, once her cotton production has gotten into high gear and becomes competitive? More than likely, she will go on to become a long staple exporting country, in which case, she will compete with the United States for the British, French, German and Japanese markets. With cheap labor available, India stands an excellent chance of taking over those markets. As this occurs, more and more American farmers will have to get out of the cotton business. Domestic production is even now being greatly curtailed. California cotton farmers, for example, are this year required to reduce their acreage 34 percent below what they planted last year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the distinguished gentleman from Minnesota and my chairman on the Subcommittee on Agricultural Appropriations.

Mr. H. CARL ANDERSEN. The gentleman from California [Mr. HUNTER] was of inestimable value to our subcommittee last fall in our trip to the Near East, India, and Pakistan, when we looked over this very situation. The gentleman from California [Mr. HUNTER] was a very interested observer and made notes continuously. From that knowledge he is today well versed in what he is presently informing the House. To what extent are we, as Representatives of the taxpayers of the United States, justified in going in voting for money for development assistance to other nations which might later on result, as the gentleman from California has so well said, in losing what markets our own people have established there through years of endeavor?

The gentleman from California [Mr. HUNTER] is always trying to look out for his own people's interests, and I wish there were more of his caliber and clear thinking in this Congress. I am personally proud that he is upon my Subcommittee on Appropriations for Agriculture. He has performed splendid work in behalf of agriculture upon that committee.

Mr. HUNTER. I thank the gentleman from Minnesota.

Last year Turkey produced about 750,000 bales of cotton, of which she will export around 500,000. Her principal customers are Germany, France, and Italy. Negotiations with Japan have been undertaken. Cotton production in 1949 was about 300,000 bales—approximately half what it is today. The big jump came in 1950, when the world price of cotton skyrocketed. That, plus United States aid, are the principal factors responsible for Turkey's rapid and substantial increase in cotton production.

In 1951 Turkey was a wheat-importing nation. Today she is the world's fourth largest exporter of wheat. She hopes to export about 75 million bushels out of the 1953 crop.

Turkey has a good raisin crop. This has been encouraged by the substantial government assistance to raisin growers. The Turkish Government guarantees a price of $200 per ton to producers and, in addition, in order to develop an export market, is offering an export subsidy of $60 per ton. This is $20 per ton higher than the subsidy paid by the United States Department of Agriculture to American raisin growers. Turkey most certainly could not afford such a program were it not for the fact that since 1948 the United States has spent more than a billion dollars in aid programs in that country. As a result, Germany, for example, is now buying raisins from Turkey to supply needs which were once met in large part by California producers.

We find that in helping other countries to improve the standard of living of their peoples by increasing their agricultural and economic production, we not infrequently cause disruptions in our own domestic economy, which will require major adjustments. I repeat: It is, therefore, necessary that we carefully evaluate these programs in terms of not only improvement in economic conditions of the people of foreign nations to which aid is given and the consequent benefit to us, but also in terms of the favorable or adverse effects on our own economic life. This, most certainly, is a difficult task. Nevertheless, it must be undertaken.

The natural tendency is toward increased production of cash crops, such as cotton. Granted, great and needed benefits—these countries need more foreign exchange—are to be derived from such production, yet the more acute need of most underdeveloped areas, particularly India, is for increased food supplies for domestic consumption. Let us direct our efforts, therefore, toward meeting that need. This we can do with less disruption of American agriculture.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I comment on what the gentleman said about our technical assistance abroad producing surpluses in those countries which are in direct competition with ourselves. I think all of us are in sympathy with the idea of producing for those people to raise their standard of living. However, last year I found out in Western Germany, which had always been a market for corn for us for the past 5 years, that for the first time that market was taken over by Turkey. In 1950 under our Technical Cooperation Administration we set up six large hybrid corn stations in Turkey. Ten years ago an export of corn from Turkey would have been unheard of. For the first time, 3 years later, we find that the export market from Turkey was taking up the export market of the United States by the program which we had fostered in Turkey itself. I merely call that to the attention of the House for what it is worth.

Mr. HUNTER. I thank the gentleman for his contribution.

FAILURE OF OTHER COUNTRIES TO FOLLOW OUR TECHNICAL ADVICE

Apropos my remarks relative to the necessity of getting the best people—people who are really expert in their respective jobs—it is equally necessary that we insist that their advice and skills be followed and employed. This has not always been the case. From reliable sources, I was advised of the following situation in India, and I quote from the report given me—it relates to the waterwell project:

I was shocked by the fact that the Indians were wasting most of the money we were giving them, and went to the TCA office in New Delhi to see what could be done about it. I complained that the methods of drilling were wrong, that the specifications were entirely inadequate and impossible to bid, that the Indian officials were stubborn and refused to consider modern techniques, that a ring of professional informers were shaking down bidders for the inside information they were able to peddle from high Indian officials and a host of other similar complaints.

I was told very frankly by two gentlemen in charge of the project for the American Government that they didn't give a darn how inefficient and corrupt the Indian Governmnt was, their job was to spend $65 million and thus stabilize the Indian economic position. It was stated very bluntly that the policy was to shovel the dollars into India until Stalin hollered "Uncle."

When I carried this complaint to Mr. Wilson, who was in charge of the whole TCA program, he seemed unable to cope with the situation and stated that he had not known that his technicians were incapable of drawing proper and adequate specifications, but that perhaps after all it was not so important that the specifications be correct or the wells even be efficient, but rather that we maintain a friendly status with India. He implied that it was the administration's policy not to cross the Indians at any point nor to deny them the right to use our gift of money in any way they might see fit.

The group of three men who were to administer the tube-well project consisted of a civil engineer from the Indian service, who admittedly knew absolutely nothing about hydrology nor well drilling nor pumps, who was the chief engineering adviser to the mission; a Bureau of Reclamation technician who had done some design work on canals and lateral ditches, and a law technician from the Bureau of Reclamation who had spent most of his time in writing contracts for the Bureau. In desperation, we put these gentlemen under considerable pressure and they admitted that they were just going along for the ride and were neither competent to administer such a program, nor were they there for that purpose. Their whole assignment was to keep the Indians happy and their hands were absolutely tied if any matter of crossing the Indians should come up. They admitted that they were making more money in India than they could possibly make in the United States and that they intended to be good boys and keep the job as long as possible.

The fundamental purpose of our technical-assistance program is to pass on to countries like India such of our skills as they do not possess or which they possess to a lesser degree. If our advice is not to be followed, then the program is not one of technical assistance. We are not helping other people to improve their ways of doing things—we are merely carrying on a foreign WPA. Instances of failure of the Indian Government to accept modern United States specifications and techniques in connection with waterwell development are numerous. For example, Indian officials have insisted on seamless alloy pipe. Hard water attacks alloy steel much more readily than ordinary carbon steel. That is why in the San Joaquin Valley of California, where water and soil conditions are much the same as in the Ganges River Basin, ordinary flat sheets of carbon steel are used in the fabrication of well pipe. They last longer and they cost less.

APPRAISAL OF PROGRAM

To appraise the technical-assistance program is to ask why it is carried on and thence to determine whether the answer to that question coincides with what has occurred. We are embarked on this program because we believe it to be our humanitarian and Christian duty to help our less fortunate fellow human beings to a better way of life. As a consequence of building up the economies of their countries and raising their standard of living, we hope that they will become our customers and friends. We further hope that they will repudiate communism and support democracy. Without question, the program has helped many people; it has helped to increase their standard of living by increasing their productivity, which, in turn, has provided them with the means of buying from us.

Has the program, however, won us the friends we expected, and has it been successful in combating communism? The record in this regard is not good. Ironically, the years since point 4 was inaugurated have been years of unprecedented tension between those nations who contributed most and those that have benefited most.

In the 3-year period which ended June 30 of this year, the United States spent or obligated close to $200 million for economic aid and technical assistance to India. Notwithstanding this demonstration of generosity and friendship on our part, India has remained neutral in the conflict between the Communist countries and the free world. At best, India can be classified as no more than non-Communist. And, despite the friendly attitude of many officials at the lower level of government who are working with American technicians to increase India's agricultural production, our political relations with India at the top level of government have worsened in the last 3 years. That is the opinion of Foreign Service officers stationed in India, with whom I discussed the situation.

The lesson to be learned from our experience in India is that economic aid and technical assistance do not necessarily make friends of politicians and that politicians, for better or for worse, determine the course of a country's affairs. The situation recalls to mind a conversation I had with a United Nations official in the Middle East and a refugee from Poland.

It is foolhardy—

He declared—

to treat your economic-aid program entirely separate from politics. Your purity of mo-

tive is not understood, let alone appreciated. You are as likely as not to build up an enemy instead of a friend. Do not give economic aid unless in exchange you gain a political advantage. After all, a favorable political stiuation is your primary object.

There is much of the truth in the gentleman's statement, yet time and again, I heard the remark made by our people that we must not demand political concessions in return for our assistance.

Merely raising a country's standard of living will not protect us against communism. Communism does not come from an empty stomach. It is more correct to say that it comes from an empty soul. Only in the sense that an empty stomach produces dissatisfaction with the status quo does it aid and abet communism, and then only when the political opportunity is afforded. Communism comes to a country as the result of revolution accomplished by a Communist element within its borders and/or conquest and occupation by a Communist foreign power. A full stomach, on the other hand, is no guaranty against communism. Communism persists at all economic levels. Witness the existence of Communists in our own Government. Witness the well-fed Hollywood writers who have embraced the Communist cause. The French people eat as well as most anyone in the world. They have a country rich in natural resources, fully capable of supporting its population. Yet a great number of French citizens vote the Communist Party ticket.

Actually communism is making the least headway in the poorest, most illiterate and backward areas of the world. Experience with communism, if anything, makes one thing clear—education and a full stomach are not guaranties against the acceptance of communism. India might well be more susceptible to communism and a greater threat to our security if her productive capacity and the standard of living of her people were doubled. More important than filling the stomach is filling man's mind with the right ideas, particularly the politicians who run the country.

ECONOMICS OF FOREIGN AID

It is worthy of note that much of the impetus for a foreign aid program comes from those whose production is in excess of what can be consumed domestically. Not being able to sell the surplus abroad through normal trade channels, they favor having our Government put up the money, so that it can be given away. Under such an arrangement, they are paid full value for their production. The catch, however, is that the American taxpayers pay the bill—not the recipients of the goods.

This situation is a hangover from a wartime economy, when, for military reasons, we exported more than we imported. Our economy changed to meet our military and related needs. Capital and manpower switched from production for domestic requirements to production for export in the prosecution of the war.

With the war's end, the Marshall plan, of which the present program is but a continuation, was inaugurated. This has permitted the unbalance of trade to continue. The justification for such unbalance rests on humanitarian and security grounds.

Unfortunately, we are exporting much of our own wealth without receiving anything in return therefor. It is unlike the normal case of capital investment abroad made in the expectation of recoupment of such investment plus interest. In the case of foreign aid there is no return, only exhaustion.

For our own good, we should undertake to gear our exports to what can be fairly paid for in imports from other countries and devote the balance of our capital and manpower to the production of things for use and consumption within our own country. This aside from any unbalance justified on humanitarian or security grounds.

It is economic nonsense to argue that we must keep up the foreign-aid program in order to maintain our own prosperity. Granted the need for time in which to bring about a transition without serious disruption of our economy, our own prosperity will be better served in the long run by transferring the effort now going into the production of things which can only be disposed of by giving them away abroad to the production of those things which will improve the lot of our own citizens. There is much left to be done here at home. Our roads are inadequate; we need more dams and bridges; we are short of hospitals and schools. Demand for consumer goods is still practically unlimited, given the purchasing power.

Reflecting upon our responsibilities and capacities as a Nation, one thing stands out as paramount. We can only fulfill our responsibilities and maintain our productive capacities at a high level so long as we maintain our own economic solvency. If we spend ourselves into bankruptcy and destroy our credit, our worth as a unifying and constructive force in world affairs will be nil. It is, therefore, imperative that we gear our Government programs, both domestic and foreign, to a pace which we can afford to support. There is nothing immoral about such a policy. It won't lose us friends. On the contrary, it will win us friends. Unless we live within our means, we will eventually suffer the same fate which has overtaken so many civilizations in the past. They overextended themselves and lost. Let us not let that happen to us. At least, let us not hurry the coming of such a time.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oklahoma [Mr. WICKERSHAM].

THE INTEGRITY OF THE UNITED STATES

Mr. WICKERSHAM. Mr. Chairman, it is an old proverb that "troubles always come in threes."

We have had the tragedy of the recent Geneva Pact—through which between ten and twenty million people of French Indochina were sent down the road of no return into the living death of Communist slavery. We have tried to wash our hands of the responsibility for the Geneva mass betrayal even as Pontius Pilate washed his hand 2,000 years ago. But the guilt cannot be washed away. Although we were not parties to the pact, out State Department had a high echelon representative at the final meetings.

We have had the tragedy of the unarmed air transport shot down by the Red Chinese. True, it was a British plane. Yet, American nationals were aboard. And these American nationals are dead. In their reply to the British note of protest, the Red authorities insisted that the affair was a case of mistaken identify. This is not true. Communist pilots, who have risen so far in the confidence of their leaders as to be entrusted with a plane, only act on the specific orders of their superiors. These Red pilots were commanded to shoot down an unarmed plane, perhaps the special plane which was shot down. The reason: To show the world how helpless the Western powers were in the defense of their citizens.

The third tragedy comes on the heels of the other two. Secretary of State Dulles has announced that American planes, while on a mission of mercy, were fired upon by Red Chinese aircraft. He further announced that our planes returned the fire of the enemy and that some of the enemy attackers were shot down.

This latest assault on our sovereignty brings us to the brink of actual hostilities. We know that the Reds were under orders to do as they did. Their leaders are responsible for their actions.

We have met force with force. We have answered them in the only language they are capable of understanding.

What shall we do now?

Will we continue to send ineffectual protest notes?

Will we refer the matter to the U. N. for action?

Will we engage in an actual all-out shooting war, with its resultant loss of life and economic disaster?

Or will our determination to meet shot with shot, fire with fire, impress on the minds of those who hold China in subjection that it is wiser to leave us alone than to meet us in mortal combat?

My heartfelt prayer is that our recent show of force will convince the Chinese Reds of our unalterable sincerity; thus affording a chance for the American people to prosper in peace.

The fate of this Nation is now in the hands of God.

Mr. TABER. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. GROSS was granted permission to speak out of order.)

Mr. GROSS. Mr. Chairman, I take this time to call the attention of the House and the Appropriations Committee, to a specific instance of how a subsidiary of the United Nations, bearing the glorified title of United Nations Educational, Scientific, and Cultural Organization and the State Department has been used in an effort to discredit Members of Congress and insult the American public at taxpayer expense.

I have at hand a so-called workpaper containing a speech by one, Herman F. Reissig, who participated in the fourth national conference of the United States National Commission for UNESCO, this national conference being held at the University of Minnesota, in Minneapolis, less than a year ago, September 15 to 17, 1953.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALTER. Do I understand the gentleman to say that this man is named Herman Reissig?

Mr. GROSS. Herman F. Reissig, that is correct.

Mr. WALTER. As I recall it, he is the man who is recruiting Americans to fight in the Spanish war on the side of the Communists.

Mr. GROSS. I appreciate the statement of the gentleman, and I think I can give him more light on Herman F. Reissig.

At other times and in other places, Reissig is referred to as "Reverend" and "Doctor."

On page 7 of this publication, which is labeled "America's Stake in International Cooperation," I quote from this speech by Reissig:

When, for example, Mr. John T. Flynn says on the radio and in print that "never in our history have the people of the United States been led into such an infamous trap as the United Nations," his kind of diatribe cannot be answered by a fact sheet on the U. N.

On a slightly higher level—

But only slightly higher, says Reissig—

is Senator BRICKER'S proposal for an amendment to the Constitution.

Still on page 7, Reissig says:

Let us turn now to a brief examination of the overt attack on one world and its emerging institutions.

Here is the revelation that institutions are emerging and world government is on the way.

On page 8 of this same publication we find some of those who are credited with such overt attacks, according to Reissig, who says:

In the Congress John T. Wood, of Idaho, introduced a bill calling for United States withdrawal from the U. N., and Congressman H. R. Groves, of Iowa, assures his constituents that the United States is being taken for a ride by "a bunch of foreigners."

Page 9 of this publication, printed in connection with the Minneapolis meeting of bleeding hearts for the United Nations and foreigners, contains the following:

Traveling across the country and speaking on international relations about 60 percent of my time—

Says Reissig—

there is opportunity in almost all the meetings for questions and discussion. I recall a women's meeting in New Jersey, a men's club meeting in Mason City, Iowa, a forum in Sedalia, Mo., a dinner meeting in Saginaw, Mich., a church conference in Seattle. Within the past 4 weeks, there were 26 meetings in Iowa, Missouri, and South Dakota.

In Iowa, with some trepidation—

Continued Reissig—

I mentioned the attitude of Congressman GROVES. They grinned as if to say, "We know all about him."

Balancing these facts against one another—

Continues Reissig—

my own tentative conclusion is about as follows: With the exception of a few local communities, the nationalist or neo-nationalist hate-the-UN go-it-alone campaign would not, in a plebiscite, get more than a handful of votes.

But—

Says Reissig and the "but" is underscored—

this is not to say that the response of most Americans to the world situation is mature and dependable. It may well be true that, next to the Politbureau, American public opinion is potentially the most dangerous element in the world situation.

There you have it from the horse's mouth—from an officially invited speaker to one of these propaganda meetings in behalf of the United Nations and its sugary titled UNESCO—that in dealing with foreign affairs most Americans are not dependable and mature enough to think, and next to the Kremlin's Politbureau, American public opinion may well be the most dangerous element in the world situation.

Apparently only Reissig and his self-annointed cohorts have the virtues necessary to deal with foreigners, and at the same time promote world government.

Who is this man Reissig, who is financed by someone or some agency, to carry the torch for the United Nations throughout this country; who was so warmly clasped to the breasts of the internationalists at Minneapolis; who makes it his business to campaign against certain Members of Congress?

On July 7, 1953, only about 2 months before the Minneapolis meeting, the House Un-American Activities Committee, received sworn testimony from a Benjamin Gitlow, who stated he was one of the leading officials of the Communist Party in the United States from 1919 to 1929.

Gitlow testified among other things that:

Dr. Herman F. Reissig headed the religious section of the American League Against War and Fascism. Dr. Reissig has a long and notorious record of affiliation with Communist-front organizations.

Gitlow then named those organizations.

The Un-American Activities Committee's records also refer to the Communist Daily Worker for March 30, 1938, page 4, wherein it is reported that Herman F. Reissig spoke at a meeting of the Communist Party held in Washington, D. C., and cites records of his activities and articles written during recent years.

Who paid for the printing and circulation of copies of the so-called work paper presented at Minneapolis by Reissig? You do not need two guesses.

The taxpayers footed the bill because it was the State Department, using funds appropriated by Congress, that printed and distributed this propaganda.

And I would be very much surprised if an investigation did not disclose that funds from some Federal agency were made available to Reissig to carry on his insidious campaign against those who have the temerity to question the United Nations and all its works.

Mr. Chairman, there is not the slightest doubt that the State Department, within the past year, paid for the printing and circulation of at least 2,000 copies of this publication which has the unmitigated gall to insult the intelligence of the American people. I have here a letter from Assistant Secretary of State Thruston Morton, of the date of May 27, 1954, and another from the Comptroller General's Office of the date of July 8, 1954, confirming that funds of the State Department were used for that purpose.

Mr. Chairman, UNESCO and the United States National Commission for UNESCO are a part and parcel of a cleverly devised scheme to propagandize the United States into a world government and by giving official recognition to this individual by the name of Reissig, the State Department apparently is willing to use any and every diabolical means to that end.

I suggest to the Appropriations Committee that in passing upon appropriations next year it provide absolutely no funds for UNESCO or its main arm of propaganda, the United States National Commission for UNESCO. It is clear that this Commission makes no pretense of being impartial. It is clear that both the National Commission and UNESCO complement each other in that both use funds extracted from overburdened taxpayers to practice deceit, discredit, and dupe to American public.

I promise the Appropriations Committee that if reelected to Congress, I will be prepared next year to oppose any funds whatever for the National Commission or UNESCO. Both are contrary to the perpetuation of this constitutional Republic.

In the meantime, Mr. Chairman, I call upon the State Department to apologize publicly for being the means by which Reissig was aided in castigating Americans as being immature and undependable, and American public opinion as being potentially the most dangerous element in the world, second only to the Politburo.

And, Mr. Chairman, I further call upon the State Department to immediately dismiss as incompetent and dangerous the official or officials who approved the Reissig article for publication and the use of public funds in payment therefor.

Mr. Chairman, in conclusion I submit the following report from the House Un-American Activities Committee:

[Information from the files of the Committee on Un-American Activities, United States House of Representatives]

MAY 24, 1954.

For: Hon. H. R. GROSS.
Subject: Herman F. Reissig.

The following information from the public records, files, and publications of this committee should not be construed as representing the results of an investigation by, nor findings of, the committee. It should be noted that the individual is not necessarily a Communist, Communist sympathizer, or fellow traveler, unless otherwise indicated.

On July 7, 1953, a subcommittee of this committee received testimony from Benjamin Gitlow, who stated that he was one of the leading officials of the Communist Party in the United States from 1919 to 1929. He referred to Dr. Reissig as follows:

"Dr. Herman F. Reissig headed the religious section of the American League Against War and Fascism. Dr. Reissig has a long and notorious record of affiliation with Communist-front organizations. I will mention a few of them. The Friends of the Soviet Union, the International Labor Defense, American branch of the 'MOPR,' a Moscow organization; North American Committee To Aid Spanish Democracy, and many more. One Communist-front he was connected with, the Mother Bloor Celebration Committee, had 71 sponsors, 40 of whom were card-carrying members of the Communist Party. Its officers were all members of the Communist Party." (Investigation of Communist Activities in the New York City Area, pt. 6, p. 2086.)

It was reported in the Communist Daily Worker for March 30, 1938, page 4, that Herman F. Reissig spoke at a meeting of the Communist Party, held in Washington, D. C.

It is noted in report 2277 of the Special Committee on Un-American Activities, June 25, 1942, that Herman F. Reissig, a sponsor of the Union for Democratic Action, was one of the speakers at the 10th national convention of the Communist Party which was held in 1938, and that he was one of the 11 of "50 leaders of the Union for Democratic Action listed on the foregoing chart" who have "public records of affiliation with the Communist Party" (p. 17). Reference to his speaking at the 10th national convention peace commission of the Communist Party is also found in the Daily Worker for May 30, 1938, page 8.

The American Committee for the Protection of Foreign Born was cited as a subversive and Communist organization by the United States Attorney General in lists to the Loyalty Review Board (press releases of June 1, 1948, and Sept. 21, 1948). It was redesignated April 27, 1953, pursuant to Executive Order 10450. The organization was cited as "one of the oldest auxiliaries of the Communist Party in the United States" by the Special Committee on Un-American Activities in its report dated March 29, 1944, page 155 (also cited in report of June 25, 1942, p. 13).

Reverend Reissig was chairman of the executive committee of this organization, as shown in the Daily Worker of March 10, 1938, page 5; chairman, according to the following sources: Call to Third Annual Conference; letterhead, April 27, 1938; New Masses, November 1938, p. 22; letterhead, January 1940; national chairman, report No. 2277 of the special committee, page 13. An undated leaflet of the American Committee for Protection of Foreign Born named him as a member of the board of directors; a letterhead, Fourth Annual Conference, Hotel Annapolis, Washington, D. C., March 2–3, 1940, listed the Rev. Reissig as a sponsor; while the Daily Worker of April 11, 1938, p. 5, disclosed that he supported the Celler bill which was sponsored by the American Committee for Protection of Foreign Born.

The official organ of the American Friends of the Chinese People, China Today, for October 1938, page 19, contained a statement which was signed by H. F. Reissig. That organization was cited as a Communist front by the Special Committee on Un-American Activities (report of Mar. 29, 1944, pp. 40 and 147).

The Reverend Herman Reissig was secretary of the religious section of the American League Against War and Fascism as shown in Fight (official organ of the league), September 1935, page 13; the March 1937 issue (p. 3) of Fight. The issue of November 1937, page 3, showed him to be a member of the secretarial staff. He headed a commission of the Third United States Congress Against War and Fascism, according to the January 2, 1936, issue (p. 2) of the Daily Worker, in which he was identified as minister of the Kings Highway Congregational Church, Brooklyn, N. Y. He spoke at a meeting of the American League Against War and Fascism at Norwalk, Conn. (Fight, Nov. 1937, p. 27); and he was one of those who signed a statement to Congress released by the organization (Daily Worker, Feb. 27, 1937, p. 2).

Fight (issues of Aug. 1935, p. 12, and Sept. 1936, p. 3) contained articles which were contributed by the Reverend Reissig; and the July 1937 issue (p. 3) also listed him as a member of its secretarial staff.

The American League Against War and Fascism was organized at the First United States Congress Against War, which was held in New York City September 29 to October 1, 1933. Four years later, at Pittsburgh, November 26–28, 1937, the name of the organization was changed to the American League for Peace and Democracy.* * * It remained as completely under the control of Communists when the name was changed as it had been before (Special Committee on Un-American Activities, report of Mar. 29, 1944, p. 53; also cited in reports of Jan. 3, 1939, pp. 69 and 121; Jan. 3, 1940, p. 10; June 25, 1942, p. 14).

The American League Against War and Fascism was cited as subversive and Communist by the United States Attorney General (letters to the Loyalty Review Board, released Dec. 4, 1947, and Sept. 21, 1948), and as a Communist-front organization by the Attorney General in re Harry Bridges, May 28, 1942, page 10. The Attorney General stated that it was "established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union (CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7683). The organization was redesignated by the Attorney General April 27, 1953.

A letterhead of the American League for Peace and Democracy (New York City division), dated September 22, 1938, named Herman F. Reissig as a member of the advisory board of that organization. This reference was also found on letterheads of September 26, 1938, and March 21, 1939. He was listed as a member of the Spain Commission of the American League for Peace and Democracy in a pamphlet, 7½ Million Speak for Peace (p. 20); and the committee's report 2277 (June 25, 1942, p. 16) revealed that he was national secretary of the religious section of the league. Herman Reissig spoke at an anti-Nazi rally of the American League for Peace and Democracy (Daily Worker, Mar. 17, 1938, p. 1); and endorsed the United Youth Day parade sponsored by the league (Daily Worker, May 12, 1938, p. 2). He contributed an article to the April 1938 issue (p. 34) of Fight.

The American League for Peace and Democracy was cited as subversive and Communist by the United States Attorney General in lists furnished the Loyalty Review Board and released to the press by the United States Civil Service Commission, June 1, 1948, and September 21, 1948. It was established in the United States in 1937 as successor to the American League Against War and Fascism "in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." The league was "designed to conceal Communist control, in accordance with the new tactics of the Communist International" (United States Attorney General, CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7683 and 7684). The Attorney General redesignated the organization April 27, 1953. The Special Committee on Un-American Activities said: "The league contends publicly that it is not a Communist-front movement, yet at the very beginning Communists dominated it. Earl Browder was its vice president. An examination of the program of the American league will show that the organization was nothing more nor less than a bold advocate of treason" (Reports, Jan. 3, 1939, pp. 69–71, and Mar. 29, 1944, p. 37; also cited in reports of Jan. 3, 1940, p. 10; Jan. 3, 1941, p. 21; June 25, 1942, pp. 14–16, and Jan. 2, 1943, p. 8).

The American Relief Ship for Spain was cited as "one of the several Communist Party front enterprises which raised funds for Loyalist Spain (or rather raised funds for the Communist end of that civil war)" by the Special Committee on Un-American Activities in its report, March 29, 1944, page 102. A letterhead of that organization, dated September 3, 1938, lists Herman F. Reissig as a sponsor.

It was reported in New Masses for May 18, 1937, page 30, that Herman F. Reissig spoke at an anti-Nazi meeting which was sponsored by the American Student Union. This organization was cited as a Communist front which was the "result of a united front gathering of young Socialists and Communists" in 1937. The Young Communist League took credit for creation of the above, and the union offered free trips to Russia. The above claims to have led as many as 500,000 students out in annual April 22 strikes in the United States. (See report of the Special Committee on Un-American Activities, Jan. 3, 1939, p. 80; also cited in reports of Jan. 3, 1940, p. 9; June 25, 1942, p. 16; Mar. 29, 1944, p. 159.)

A booklet, These Americans Say (back cover), named Herman F. Reissig as secretary of the Coordinating Committee to Lift the Embargo, which was cited by the Special Committee on Un-American Activities as one of a number of front organizations, set up during the Spanish Civil War by the Communist Party in the United States and through which the party carried on a great deal of agitation (report of March 29, 1944, pp. 137–138).

The Communist Daily Worker carried the following information concerning the Reverend Reissig: arrested in Cuba (July 4, 1935, p. 2); sent Christmas greetings to the Daily Worker (Dec. 25, 1936, p. 1); speaker at meeting for Spain in Brooklyn, supported by the Communist Party (Feb. 24, 1937, p. 3); participated in demonstration before Italian Consulate in New York City (Mar. 17, 1937, p. 1); spoke at a United Youth Day Peace Festival, New York City (May 26, 1937, p. 2); he wrote a letter to the Daily Worker (Aug. 20, 1937, p. 9); he was a member. Tour of Loyalist Spain (Sept. 21, 1937, p. 3); and he spoke at the Brooklyn Anti-Lynch Conference (Apr. 14, 1938, p. 3).

Soviet Russia Today (Nov. 1937, p. 79) listed the name of Herman F. Reissig as one of those who signed the Golden Book of American Friendship with the Soviet Union, which was cited as a "Communist enterprise" signed by "hundreds" of "well-known Communists and fellow travelers" (Special Committee on Un-American Activities, report of Mar. 29, 1944, p. 102).

Reverend Reissig was one of the sponsors of the Greater New York Emergency Conference on Inalienable Rights, as shown on the program of the conference, dated February 12, 1940. That organization was cited as a "Communist front which was succeeded by the National Federation for Constitutional Liberties" (Special Committee on Un-American Activities, report of Mar. 29, 1944, pp. 96 and 129). It was among a "maze of organizations" which were "spawned for the alleged purpose of defending civil liberties in general but actually intended to protect Communist subversion from any penalties under the law" (Committee on Un-American Activities, report, 1948, p. 61).

The Reverend Reissig wrote a pamphlet on Spain which was released by the International Labor Defense, as shown in the Daily Worker of April 15, 1937, page 7. The ILD held a conference in Washington, D. C., at which he and Browder were speakers (Daily Worker, June 15, 1937, p. 4). He attended a meeting of the Hudson County Committee for Labor Defense and Civil Rights, supported by the International Labor Defense, according to the May 7, 1938, issue (p. 2) of the Daily Worker. It is also noted in Equal Justice for November 1938, page 4, that he sponsored a Christmas drive of that organization.

The following is quoted from the committee's report No. 2277, June 25, 1942: "Our committee found unanimously in our report to the House 2 years ago that the International Labor Defense was the legal arm of the Communist Party. In his order for the deportation of Harry Bridges, the Attorney General concurred in this finding. Three of the four principal officers of the International Labor Defense are publicly avowed members of the Communist Party. Eleven of the fifty leaders of the Union for Democratic Action listed on the accompanying chart have been affiliated in one way or another with the International Labor Defense. They are * * * Herman F. Reissig" (p. 19).

The Attorney General cited the organization as the "legal arm of the Communist Party" (CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7686; also cited in letters to the Loyalty Review Board, released June 1, 1948, and Sept. 21, 1948; redesignated Apr. 27, 1953). This committee cited the organization in report No. 1115, September 2, 1947, pages 1 and 2.

According New Order, a publication of the International Workers Order, Reverend Reissig sent greetings to the organization. He was a speaker at a meeting held in Brooklyn under the auspices of that organization. The following reference to Herman F. Reissig and the International Workers Order is found in report 2277 of June 25, 1942: "Our committee has found unanimously that the International Workers Order is a front of the Communist Party. The organization is headed entirely by outstanding and avowed members of the Communist Party, such as William Weiner, Max Bedacht, * * *. The following leaders of the Union for Democratic Action have been affiliated with the International Workers Order: * * * Herman F. Reissig" (p. 19).

It was reported in New Masses for May 18, 1937, page 30, that Reverend Reissig spoke at an anti-Nazi meeting of the League of American Writers, cited as subversive and Communist by the United States Attorney General in letters to the Loyalty Review Board (press releases of June 1, 1948, and Sept. 21, 1948).

The League of American Writers was cited as subversive and Communist by the United States Attorney General (letters to the Loyalty Review Board released in 1948; redesignated Apr. 27, 1953). The Attorney General said, "The League of American Writers, founded under Communist auspices in 1935 * * * in 1939 * * * began openly to follow the Communist Party line as dictated by the foreign policy of the Soviet Union. * * * The overt activities of the League of American Writers in the last 2 years leave little doubt of its Communist control" (CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7685 and 7686). The league was also cited by the Special Committee on Un-American Activities (reports of Jan. 3, 1940, p. 9; June 25, 1942, p. 19; Mar. 29, 1944, p. 48).

Herman F. Reissig was executive secretary of the Medical Bureau and North American Committee To Aid Spanish Democracy as shown in the following sources: Daily Worker, March 23, 1938, page 2; New Masses, March 29, 1938, page 21; Daily Worker, June 10, 1938, page 1; and letterhead dated July 6, 1938; New Masses, November 15, 1938, page 20. The Daily Worker of March 19, 1938, page 2, stated that he called a conference of the organization as its director; he greeted a delegation from Spain (Daily Worker, Apr. 5, 1938, p. 6), and spoke at a tea given by the Medical Bureau * * * (Daily Worker, Mar. 10, 1938, p. 2).

The Medical Bureau and North American Committee To Aid Spanish Democracy was cited as follows by the Special Committee on Un-American Activities: "In 1937–38, the Communist Party threw itself wholeheartedly into the campaign for the support of the Spanish Loyalist cause, recruiting men and organizing multifarious so-called relief organizations." Among them was the above (report, Mar. 29, 1944, p. 82).

An undated letterhead of the Mother Bloor Celebration Committee listed Rev. H. F. Reissig as a sponsor on the occasion of her 75th birthday. Ella Reeve Bloor was a "nationally known Communist leader" (report 1311, Mar. 29, 1944, p. 148).

Herman F. Reissig spoke at the second National Negro Congress as shown on a leaflet of the congress dated October 1937. The United States Attorney General cited the National Negro Congress as subversive and Communist in lists furnished the Loyalty Review Board (press releases of Dec. 4, 1947, and Sept. 21, 1948).

A. Phillip Randolph, president of the congress since its inception in 1936, refused to run again in April 1940 "on the ground that it was 'deliberately packed with Communists and Congress of Industrial Organization members who were either Communists or sympathizers with Communists.' Commencing with its formation in 1936, Communist Party functionaries and fellow travelers have figured prominently in the leadership and affairs of the congress * * * according to A. Phillip Randolph, John P. Davis, secretary of the congress, has admitted that the Communist Party contributed $100 a month to its support. From the record of its activities and the compositon of its governing bodies, there can be little doubt that it has served as what James W. Ford, Communist Vice Presidential candidate elected to the executive committee in 1937, predicted: 'An important sector of the democratic front,' sponsored and supported by the Communist Party." (United States Attorney General, CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7687 and 7688.)

"The Communist-front movement in the United States among Negroes is known as the National Negro Congress. * * * The officers of the National Negro Congress are outspoken Communist sympathizers, and a majority of those on the executive board are outright Communists" (Special Committee on Un-American Activities, report of Jan. 3, 1939, p. 81; also cited in reports of Jan. 3, 1940, p. 9, June 25, 1942, p. 20; and Mar. 29, 1944, p. 180).

The following is found in the committee's report 2277, p. 21: "Probably no one who is acquainted even superficially with the New Masses magazine would deny that it is the weekly publication of the Communist Party. Among the leaders of the Union for Democratic Action, the following have written for the New Masses: * * * Herman F. Reissig * * * He also contributed to the March 29, 1938 (p. 21), and November 8, 1938 (p. 22), issues of that publication.

Reverend Reissig was executive secretary of the North American Committee To Aid Spanish Democracy, as revealed in the following sources: Daily Worker, March 23, 1937, page 2, New Masses, January 26, 1937, page 28; Second National Negro Congress, October 1937; New Masses, October 5, 1937, page 28; Second National Negro Congress, October 1937; New Masses, October 5, 1937, page 26; Daily Worker, February 12, 1938, page 2. It is also noted that as a member of the organization he attended an anti-Fascist demonstration before the Italian Consulate (Daily Worker, Feb. 19, 1938, p. 2).

The North American Committee To Aid Spanish Democracy was cited as a Communist-front organization by the Special Committee on Un-American Activities (reports of Jan. 3, 1940, p. 9; and Mar. 29, 1944, Communist by the United States Attorney General in lists furnished the Loyalty Review Board (press releases, Dec. 4, 1947; May 28, 1948; Sept. 21, 1948).

A letterhead of the Washington Friends of Spanish Democracy named Herman Reissig as national executive secretary of that organization (letterhead dated June 30, 1938). (Citation of Medical Bureau and North American Committee To Aid Spanish Democracy applies also to this organization.)

On page 4 of this memorandum, reference is made to a letter written by Rev. Herman F. Reissig to the Daily Worker (August 20, 1937), p. 9). The letter was addressed to Mike Gold, a Daily Worker columnist, who had written an article on preachers. Mr. Gold published Dr. Reissig's letter, and referred to him as "a preacher who has surely brought honor to the cloth." He said: "Mr. Reissig is the executive secretary, I imagine everyone must know, of the North American Committee to Aid Spanish Democracy. * * * The Reverend Dr. Reissig is one of the chief organizers in this great task, but he must feel deeply on the subject of preachers, for he found time to send me the following letter." The letter said, in part:

"You feel sorry for preachers because they 'mustn't ever hint that war is caused by greed among capitalists.' But I did not suppose that even Communists teach that. War is caused, chiefly—isn't it—by the capitalist system, which is what a lot of preachers I know are saying."

The files of this committee contain a copy of the November 15, 1950, issue of Social Action, published by the Council for Social Action of the Congregational Christian Churches and the Commission on Christian Social Action of the Evangelical and Reformed Church. Dr. Reissig, a departmental staff member of Social Action, expressed some of his views concerning communism and social action in an article in that issue of the publication American Leadership in a Revolutionary World. The following are excerpts from the article:

"The central theme of this article can be briefly stated. The policies of the Russian Communist Government have intensified the crisis of our time and made it acutely dangerous, but the root causes of the crisis antedate, and go deeper than the threat that comes out of Russia. While supporting United Nations resistance to aggression, we must avoid the present tendency to concentrate on 'stopping communism' and deal in truly bold and creative fashion with the underlying causes of world upheaval.

"* * * It may even be said that our western faith * * * has little chance of survival if we give most of our attention and strength to stopping Russia. * * *

"The Council for Social Action believes that Stalinist communism is false and dangerous. * * *

"Let us make no mistake about it. Many a Communist, in the United States and elsewhere, is neither a bad man nor, necessarily, one who has been 'unsuccessful'; he is a faith-starved person who thinks he has found in communism something to live by and to give life zest and purpose. If we ask why some of these people do not now renounce a faith so palpably false and corrupt, the answer may be that it is psychologically impossible for them to face the prospect of returning to a life of no faith at all.

"Let us not be afraid to say that some of our finest young people, products of good homes and of our best universities, have been attracted to communism. Instead of

asking what is wrong with them, we would better ask what was wrong with us and with our faith that they turned to Marxism. * * *

"We misinterpret modern history if we fail to see that the raw ingredients of social revolution are not being created by Russian communism. The stanchest ally of communism has not been either Russian 'agents' or Russian armies but the inadequacy of the existing social institutions to provide a reasonable measure of security and happiness. * * *

"What are the effective weapons in the Communist arsenal? Trained propagandists and organizers, fanatical faith, ruthless methods, distortion of truth, the financial backing of Russia, fear of the Russian Army, military leadership and weapons from Russia. But communism's most effective weapon is the appeal against poverty and injustice. * * *

"Some non-Communists in Western Europe are wondering if a Russian-dominated Communist government would not be preferable to an all-out war. Easy enough to say 'Death is preferable to Communist tyranny.' It isn't a question, even, of a few millions dying for freedom. It is a question of who and what can survive the holocaust. Is it so certain that freedom would survive?

"* * * It is of the highest importance that the problem of dealing with Russia be handled by the international body. Only the United Nations can marshal the necessary moral and military support. But, more than that, the United States at this point needs the restraining and correcting influence of other nations—India, for example, and the European countries whose direct experience of war has made them more cautious about steps that might lead to war than many Americans appear to be.

"* * * we shall have to find ways to resist Communist aggression in Asia without giving our support, or at least unqualified support, to incompetent or reactionary regimes whose only 'virtue' is their anticommunism. * * *

"Let us grant that we have faced a dilemma—either to allow the Communists to win or to support the only available alternative government, no matter how bad it was. We are in this dilemma, partly, because we have been too complacent about intolerable conditions in Asia, and gave too little help, or no help at all, to the legitimate revolutionary movements. We must at least become aware that the new evil cannot be overcome with the old evils. Once that is recognized, we may find solutions where none now appear. * * *"

It is noted that, except for the foregoing article, no reference to Herman F. Reissig is found in the public files, records, and publications of the committee since 1940.

Mr. ROONEY. Mr. Chairman, I yield myself 10 minutes.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. ROONEY. Mr. Chairman, on Saturday last at an unusually long meeting of the full House Committee on Appropriations we on the minority side spent all of our time defending the action of the subcommittee and in preventing, successfully preventing, further drastic cuts in this bill below the $812 million cut by the subcommittee.

As we went along in the marking up of the bill last week there were some cuts made by the majority side, my distinguished friend, the gentleman from New York [Mr. TABER], and his colleagues, which I thought were justified. There were others with which I could not agree—for instance, with regard to general military assistance, a cut of $165 million, the cut with regard to direct forces' support, southeast Asia and western Pacific, the cut of the entire $17 million in the U. N. technical-assistance program, the cut with regard to Intergovernmental Committee for European Migration and the cut with regard to the United Nations Children's Fund.

Now, as to the U. N. technical-assistance program, pages 460 and 461 of the hearings will demonstrate that we uncovered the fact that a number of Communist engineers and technicians from Yugoslavia, from Czechoslovakia and from Poland have been sent into sensitive non-Communist countries, such as India, Iran, Burma, Mexico, and Indonesia, to spread their gospel at the expense of the United States which contributes more than 50 percent of the total funds of the United Nations technical-assistance program. But I feel that it is the responsibility of our representative in the United Nations, Mr. Lodge, to do something about such a situation, because the total number of these technicians is over a thousand. I do not feel that the way to cure the patient is to drain every drop of blood out of his body, which, in effect, is the action of the committee with regard to the $17 million deletion for the U. N. techical-assistance program.

At the same time, I am confused in reading the daily newspapers as to what is going on in this 83d Congress, as to whether or not there is really an effort being made by President Eisenhower and the administration to balance the budget, and whether or not the American people are being utterly fooled. Many of the appropriations items are being increased, and increased and increased. Maybe that is good. But please do not tell the American people you are going to balance the budget and that you are making a sincere effort to balance the budget when you have a situation such as this one indicated on this chart in my hand. You can see it from the last seat in the Chamber. This [indicating] is the Truman program in 1953 fiscal year. Here [indicating] is the Eisenhower-Stassen program for 1955, funds requested in this budget. Now, have the American people been honestly informed that this sort of buildup is taking place? Do they know that this is going on when you do not have a Korean war to support as you did in fiscal year 1953? Why, in today's Chicago Tribune there is an editorial entitled "Eisenhower's Record on Spending," and it concludes by saying:

> Economy in government, as shown by the results of the last fiscal year, will doubtless be an issue in the coming election. But it is hard to see how it can be used with much success by the Republicans. All that Eisenhower can claim is that as a spender he is just a little more costly to the taxpayers than Truman was.

And in regard to this alleged cutting of the Truman budget, a budget made up only for what he expected his successor would need as a maximum in 1954, made up at a time when the Korean war was in progress, today's Chicago Tribune says:

> He hasn't reduced it at all. Instead, he has increased it. The Treasury outgo in the year he has just reviewed was $2 billion more than was spent by his predecessor whose record he had criticized.

Now, where are we going? Who are we kidding?

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I wanted to ask how much in the Truman prepared budget was included for the cost of the Korean war which was still going on at the time. I think the gentleman will find that never was budgeted.

Mr. ROONEY. Oh, yes, I am sure that it was, I say to the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Michigan.

Mr. FORD. I can assure the gentleman that for the Department of the Army budget for fiscal 1954, which is the one that both former President Truman and the present President worked over, there were no funds in the Truman budget for the Army's activities in the Korean war for that 12-month period.

Mr. ROONEY. I wish the distinguished gentleman would tell us how much was included for defense spending.

Mr. FORD. For what fiscal year?

Mr. ROONEY. 1954.

Mr. FORD. The defense appropriation for fiscal 1954, as I recall it, was $34 billion.

Mr. ROONEY. And that was what percentage of the budget?

Mr. FORD. The total budget, as I recall, for fiscal 1954 was about $54 billion.

Mr. ROONEY. No. I am speaking percentagewise now. Was it not in the neighborhood of 80 percent of the budget, or more?

Mr. FORD. I do not believe it was that high.

Mr. ROONEY. I am speaking about defense spending; that includes foreign aid, the Atomic Energy Commission and all such items.

Mr. FORD. If you want to compare the appropriation for fiscal 1954, the military appropriation, between the Truman and Eisenhower budgets, you will find that we reduced the Truman budget by about $5 billion.

Mr. ROONEY. I do recall the allegations with regard to that; it was stated that we were going to get better defense for less money, but the fact still remains that you have not balanced the budget. You are still $3 billion out, and your Treasury outgo during the past year, as of June 30, was $2 billion greater than it was in the previous fiscal year.

Mr. FORD. At the time Mr. Truman presented his 1954 budget, he anticipated the deficit for fiscal 1955 as $9.9 billion plus, and here is an additional fact that was not too well brought out at that time. If the gentleman will take the defense part of the budget for fiscal 1954, he will see this, that Mr. Truman predicted a $12.5 billion deficit. In reality he anticipated spending more for the Korean war, so the deficit in effect would have been $12.5 billion for fiscal year 1954. In other words, at one part of the budget they said it would be nine and nine-tenths and in another part of the budget,

where they were telling all the facts, they said on the continuation of the Korean war they expected the budget to be $12.5 billion in the red for fiscal 1954. The present administration has taken that figure from twelve and five-tenths down to three billion, which I think is a very substantial bit of progress.

Mr. ROONEY. So there was more money for the Korean war? If you promised the taxpayers in the fall of 1952 that you were going to balance the budget, why did you not cut appropriations and balance the budget? You have been at it over a year and a half now.

Mr. FORD. The reduction of a predicted deficit by almost $10 billion in 1 year is excellent progress.

Mr. ROONEY. I should like you to read the entire editorial to which I refer:

EISENHOWER'S RECORD ON SPENDING

Shortly after June 30 of each year the President of the United States issues a statement summarizing the income and outgo for the accounting year just ended. Almost invariably each President has stated his conviction that he has managed the Government well in the preceding 12 months and that progress has been made in getting the Nation's finances on a sounder basis.

President Eisenhower conformed to custom when he announced Friday that during the fiscal year which recently ended, expenditures were cut, the year's deficit was brought down, tax reductions were made possible and "we are laying a firm base for a healthy and expanding economy."

In the recent fiscal year, outgo amounted to $67.6 billion. Mr. Eisenhower says this is $10 billion less than the last Truman budget. But that budget was never authorized by Congress. It was just the sum total of what the outgoing President told Congress the Government would need to carry on all the activities he had in mind. In that year, half Truman and half Eisenhower, the spending totaled $74.3 billion.

Mr. Eisenhower also places the saving at $3 billion under his own estimate made in January. The way to make a substantial showing like that in July is to make your estimate outrageously high in January. It was widely pointed out earlier this year that a $70 billion spending rate was excessive. The hope was then expressed that the President himself would recognize this.

When Mr. Eisenhower was campaigning for his office, he promised to bring about a sharp reduction in expenditures. In the year which ended in mid-1952, just before the campaign started, the Government disbursed $65.4 billion. The achievement of Mr. Eisenhower in bringing about economies must be measured by how much he has cut spending below this figure of $65.4 billion.

He hasn't reduced it at all. Instead, he has increased it. The Treasury outgo in the year he has just reviewed was $2 billion more than was spent by his predecessor whose record he had criticized.

The administration has indicated what the outgo is going to be for the new fiscal year which will end June 30, 1955. The total as it is set down in the Treasury Bulletin is $65.6 billion, or a little more than Truman spent in his worst year, and Truman at least had two excuses for swollen budgets. He was fighting a war in Korea that has been over since July 27, 1953. Moreover, he was carrying out the program of economic aid under the Marshall plan. Economic aid, we are told time and again, has been almost completely stopped.

Economy in Government, as shown by the results of the last fiscal year, will doubtless be an issue in the coming election. But it is hard to see how it can be used with much success by the Republicans. All that Eisenhower can claim is that as a spender he is just a little more costly to the taxpayers than Truman was.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Chairman, I have no further requests for time.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. CURTIS of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. CURTIS of Missouri addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FORD. Mr. Chairman, I think one point has come up during the debate today that requires clarification. One of the Members during the general debate quoted from a newspaper article that appeared in one of the local newspapers yesterday in reference to what was going to happen to the military and other equipment that we had sent into Vietnam following the truce. This question was discussed last Wednesday before our subcommittee at the time the Secretary of State came before the subcommittee. Following the newspaper article which appeared yesterday the chairman of the committee, Mr. TABER, requested a written statement on the situation from the Director of the Foreign Operations Administration, Mr. Stassen. At this time, Mr. Chairman, I should like to read the full text of the statement from Mr. Stassen in reference to the evacuation of this equipment. I read verbatim from this statement:

PROTECTION OF UNITED STATES FINANCED EQUIPMENT IN INDOCHINA

As the Geneva Conference approached a climax, all available precautionary steps were taken to safeguard United States financed equipment and material en route to or located in the area of North Vietnam.

1. MILITARY EQUIPMENT AND MATERIEL

(a) All military equipment and materiel en route to this area was ordered back to the United States or otherwise diverted.

(b) Assurances were received from the French that every effort would be made to safeguard against capture United States financed military equipment and materiel in their hands. Reports indicate that the French have abided by these assurances, and have given a high priority to the withdrawal of such equipment from the area. Generally speaking, approximately 45 percent of this equipment is in the Hanoi-Haiphong area, about 45 percent in the Saigon area and the remaining 10 percent in the Tourane coastal area.

By the terms of the agreement on suspension of hostilities in Vietnam, the equipment in the Tourane and Saigon area are south of the military demarkation line which has been established and will not require evacuation. Also, by the terms of the same agreement, the forces of the French and Associated States will have 80 days to complete evacuation of the Hanoi area, and 300 days to complete evacuation of the Haiphong area. This period of time is considered adequate for the evacuation of all MDAP materiel and equipment in the area.

2. NONMILITARY GOODS AND EQUIPMENT

(a) All shipments to this area of nonmilitary goods and equipment of bulk commodities which might be difficult to remove were halted several weeks prior to the armistice, and diverted to Saigon or other areas.

(b) Steps were and are being taken to remove all movable goods and equipment of any military significance whatever to which the United States has title from the area. A quantity of radio receiver-transmitters used in the FOA resettlement project in North Vietnam is presently being removed to Saigon.

(c) Nonmilitary goods and equipment which have been delivered to the Vietnamese are to be removed in accordance with the provisions of the armistice agreements, which are presently being analyzed in consultation with the French and the Vietnamese. Subject to these agreements, our desire to remove all movable equipment and materiel of military significance (including such items as trucks, raw cotton, bulldozers, etc.) from the north appears to be in accord with the policy of the Vietnamese and French owners.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SMITH of Wisconsin. I would call the gentleman's attention to a news item written by Jim Lucas from Saigon yesterday in which he calls attention to the fact that automobile trucks are still being delivered at the port of embarkation in Haiphong. That does not square with the statement the gentleman has just referred to.

Mr. FORD. I can only say that this is the statement which was delivered to the chairman of our committee this morning from the Director of the Foreign Operations Administration. It is conceivable, although I cannot verify it, that the delivery at this moment of trucks to Hanoi and Haiphong would be quite helpful and beneficial in the evacuation of some of our materiel from that area. That is conceivable. Trucks could be most helpful in getting valuable equipment out of the area.

About 3 or 4 months ago the United States sent a man to head up our military advisory group in Saigon, Gen. Mike O'Daniel. General O'Daniel has a long and outstanding record in the Department of the Army. I feel that he is one man we can rely on entirely to make a maximum effort to get from this area all equipment and supplies we have supplied and which would be useful in the southern Vietnam area and in Laos and Cambodia.

I would like to discuss at this point a somewhat different matter because it will bear upon what I suspect will be amendments offered subsequently. During the consideration of the Department of the Army appropriations we had the head of the G–4 section, the Assistant Chief of Staff of G–4, before our committee to discuss our ammunition situation. The question of ammunition was a rather hot issue a year ago. During the interval we had made as a government a great effort to get our own ammunition stocks in proper status. I

can assure the members of this committee that our own ammunition picture now is immeasurably better than it has been for sometime.

Gen. W. B. Palmer, during the hearings on our bill for the Department of the Army, presented some testimony which I think is most significant here. He pointed out in summary that the funds we were asked to provide and which we did provide for procurement and production for the Department of the Army were adequate for our troops, but he was very careful to point out that if we should have a war break out the mobilization reserve we have for our own Army would be inadequate to supply our allies in our collective-security program; that if war broke out tomorrow we could not supply our allies unless we draw down our own precious Army stocks.

I would like to quote from the testimony we took in the Army committee hearings. It appears on page 1060 of the Army hearings for fiscal year 1955:

Mr. FORD. As I understand it, from the testimony which has been given here this morning, the funds which you have available and the authority which you want for fiscal 1955 in procurement and production will provide a mobilization reserve satisfactory for the United States Army in the concept we now have of a long, extended, uneasy peace?

General PALMER. I believe that is correct, Mr. Chairman. I think we have no feeling that there is an incompatibility between the policy, the governing policy, and the funds made available.

Mr. FORD. The provisions of our allies, the military equipment which they need to go along with our joint-defense program, would have to come out of what is commonly called the foreign-aid appropriation request?

General PALMER. That is correct.

Mr. FORD. This committee is not now and never has considered funds for the buildup of our allies.

General PALMER. That is correct.

Mr. FORD. The funds which may be necessary to supply our allies with adequate military equipment will come out of another appropriation request which we call the foreign-aid or military-assistance program?

General PALMER. That is correct.

Mr. FORD. Any deficiencies which they might have, if we as a nation intend to supply them, the Congress will have to provide for in a military-assistance appropriation act.

General PALMER. That is correct.

Mr. FORD. Further questions?

Mr. SIKES. I have one further question.

But none of the foregoing would, as I understand it, change the fact that this is a limited mobilization reserve and that if there should be a sudden emergency—and we will surely need the help of our allies if there should be an emergency—the United States Army would have no supplies or equipment under this mobilization reserve to provide to its allies. Is that correct?

General PALMER. That is correct; none provided specifically for that purpose.

Mr. GARY. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, when World War II ended, almost 10 years ago, we all looked forward to a period of peace. We hoped that we might be able to settle down to tackle the great problems of reconstruction in an atmosphere of friendly cooperation among nations. That hope was denied us. Instead of peace, we have had pockets of conflict all over the globe. Some were indigenously engendered. Some were touched off by the great underlying conflict of the postwar world, the cold war. All of them have been affected in one way or another by the cold war, whether they started that way or not.

American policy in these areas of conflict has not always been decisive or clear. All too often, we have failed to anticipate the crisis—we have reacted, belatedly, to developments when it was already difficult to affect the situation. In large measure, this has been due to a tendency to focus attention and to become absorbed in parts of the world. This concentration has obscured our vision of the world as a whole.

For some time now, we have been so absorbed in the problems of the Far East and southeast Asia that we have been neglecting American policy in another portion of Asia—an area torn by conflict and tension, where the ineptitude of current American policy, if continued, may bring us to as disastrous a crisis as we have been facing in other parts of Asia in the past few months.

I refer to the Middle East. This area is important to America for a number of reasons. Geographically, it is one of the major crossroads of the globe, the connecting link between Europe and Asia. Politically, it is one of the strategic factors in the cold war between the Soviet Union and the free world. Economically, its huge oil deposits are essential to the operations of the western economies. But—most important to those of us who value humanity—we are bound by deeply felt ties of an ancient heritage upon which our ethical and moral systems were founded. Three great religions of the world were cradled here. And western society owes its basic moral values primarily to two of these great religions.

But this birthplace of our western civilization is today a disturbed and distressed area, divided by internal conflict, and exposed to external danger. We should be deeply concerned about the peril which confronts this region and its peoples.

American policy in the Middle East should be so designed as to contribute to the reduction of tensions, to the promotion of harmony among the various peoples living in it, and to the attainment of peace and growth in that area. But the reverse is happening. Current American policy is contributing not to a reduction of tensions but to an intensification of them, not to harmonious living together but to divisiveness and the continuance of conflict, not to peace and growth but to a static acceptance of all that makes for the festering sores of social unrest.

I emphasize the fact that it is the new American policy in this area that I speak of. For in the past America has warmly supported and encouraged the aspirations of all the peoples of the Middle East. We have done this for several decades. Our first aim has been political independence, our second economic development. Real and lasting progress in both of these areas of human living are necessary if the peoples of this region are to realize their hopes and to enjoy in a creative way their rich stores of culture.

The allied victory in World War I brought with it the collapse of the Ottoman Empire and thereby the liberation of the great Arab peoples. American ideals and the principle of self-determination enunciated by President Woodrow Wilson gave the inspiration to Arab nationalism. With our help, 50 million people living in an area of 2½ million square miles have achieved nationhood. Originally four, there are now eight Arab nations. When the United Nations was established, our country helped to bring these new States into the framework of the international community, despite the fact that their contributions in the last war were either negligible or on the side of the Axis. Of the eight Arab nations, only Jordan and Lybia are not members of the United Nations.

But our friendship was not reserved for the Arabs. We have also warmly supported Jewish aspirations for nationhood, regardless of which party was in power. Every President since Wilson, whether Democratic or Republican, and both parties in the Congress, have supported the principle of an independent Jewish homeland. We approved the historic Balfour declaration. We supported the U. N. recommendations for partition in 1947. We were among the first to recognize the new state of Israel. We tried in the United Nations to restore peace after the Arab states went to war against the new Jewish State. With the signing of the armistice agreements, we have used our influence in the United Nations to try to translate these into real peace agreements. We welcomed Israel into the United Nations and gave friendly encouragement to this new democracy in the Middle East.

We have every right to be proud of our role in helping to achieve the national independence of these middle eastern states—both Arab and Jewish. We may also be proud that we have been concerned with the development of the entire region, and, especially within recent years, have been generous with economic and technical assistance.

But within the last 18 months our Department of State has wrought a subtle change in all this. The New Look has eyed the Middle East with a withering glance. In its political policy the present administration has reversed our past positive program for peace in the Middle East.

The new policy in the Middle East, described as one of "impartiality," was enunciated by Secretary of State Dulles about a year ago, after a trip to the Middle East. Now, Mr. Dulles may be sincere in his desire for impariality. But the impression conveyed by this speech was of a semantical sleight-of-hand, for it implied that we had not been impartial in the past. To prove our new impartiality, we have actively sought to accommodate ourselves to the Arab position and to identify ourselves increasingly with Arab demands upon Israel.

By a process of inexorable logic, this has led to the support of the Arabs in their refusal to seek a real peace and in their increasingly bolder economic and guerrilla aggression against Israel. Hopes for peace become dimmer in the area.

For the Arabs, unfortunately, have never accepted the armistice as a steppingstone to peace. They still consider themselves at war with Israel, and within recent months they have stepped up their economic blockades and boycotts and intensified their guerrilla activity against border settlers with the aim of driving them from the frontiers and strangling Israel's agricultural life.

This mounting conflict is the product of American policy. It is the price we are paying for another ignominious failure.

Before the new Dulles doctrine, progress was being made—slowly, to be sure, but, nevertheless, positively—toward the reconciliation of these conflicts. But Mr. Dulles' statement has supplied the Arab leaders with a rationale for the continuance of their intransigent attitudes and actions.

Now we come to the next step in the flow of this logic. The administration actually appears to have abandoned peace as the goal of American policy in the Middle East. State Department officials concerned with this area are permitted to announce that peace is no longer possible. The most we can hope for, they state, is that the conflict and tension shall get no worse. As if such a static aim were possible in the fluid course of world events.

For the unfortunate peoples of the Middle East, this aim is bad enough—no area likes to live in perpetual conflict. But ferment in a region of the globe is not like a chemical experiment—it cannot be isolated in a test tube and controlled, and this makes it all the worse.

Hot ferment and cold war—these have a way of interacting and spreading. The Kremlin is all too close to the Middle East, and the men who sit there can also take a long look. As a matter of fact, they have been playing their own unsavory brand of politics in this area for too long already. Their aim, here as elsewhere, is economic disintegration and chaos, which always serve their ends. To achieve this they have twice sided with the Arabs at the United Nations in vetoing Security Council attempts to lessen Arab-Israeli hostility.

Nothing is closer to the Kremlin's desire than to have both groups at each other's throats. That is the posture best calculated to encourage Communist aggression. It is the worst possible relationship from the standpoint of the free world.

The administration hopes to keep back the Kremlin by defending the "northern tier" and arming the Arab States. It has already announced its decision to grant arms to Iraq. Yet Iraq is a nation which, by its own admission, considers itself at war with a country friendly to us. Iraq, as a leader in the Arab League, fosters organized Arab hostility to Israel, and her leaders let no opportunity go by to express their determination of wiping Israel from the face of the earth.

Now, the Department of State is not unaware of our concern lest Iraq use our arms in renewed conflict with Israel. But it believes that Iraq can be trusted not to abuse our confidence.

But what a gamble this is in the face of the record of Iraq—political instability, repression of minorities, and the abortive pro-Nazi revolt of 1941.

How can we be sure that a country that has invaded Israel, which has expelled most of her Jewish population, and which hangs Jews in the public square of Baghdad can be relied upon not to attack Israel? The Iraqi themselves publicly proclaim that they are unreconciled to Israel's continued existance. On what theory do we refuse to take them at their word? What sort of wishful thinking is it to say that the Iraqui are not what they themselves say they are?

Nowhere else are we arming a country at war with an ally. Nowhere else are we giving our weapons to those who boast publicly of their intention of destroying, not possible aggressors, but a peace-loving neighbor.

You do not have to be a military expert to know that the Iraq army has a feeble record and could offer us little help in stemming Soviet aggression.

What then is the real purpose of this arms program? Do we equip Iraq to suppress the Kurds, who are seeking self-determination? Is it our purpose to supply arms so that they might suppress those who would overthrow the rulers now in power? Government by violence is the rule in Arab countries. Certainly the use of American arms for such purposes will not win friends for the United States but bitter enemies. For what we are really doing is strengthening the feudal dictatorship in these countries at the expense of the people, long too repressed to be articulate in their cry for social reform. Is this really the way to fight the Communist menace? Does not our policy really drive large masses of the people into the false embraces of the Soviet Union?

The time as come for a reappraisal of American policy in the Middle East. It need not in any sense be an agonized reappraisal. Only a continuation of the current policy will be agonizing. A return to true impartiality will be a welcome change, since at present conditions are deteriorating to an alarming degree. Not arms but economic and technical assistance to all the peoples of this area; not the fanning of flames of conflict but patient negotiation at a conference table; these are essential conditions for the attainment of peace.

We need to help the peoples of this area by helping them lift their sight for their economic and social betterment. We want to help them live side by side in peace. We want them to live productively and creatively, so that they can enjoy fully the blessings of democracy. We will not defend freedom in this or any other part of the world unless we build and expand democracy. This we can do if we strengthen democracies wherever they may be. This we will fail to do if we undermine democracies by an alliance with those who survive by oppression and war.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,285,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76 million, plus not to exceed $39 million of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 2, lines 8 and 9, after "exceed", strike out "$2,234,912,729" and insert "$1,934,912,729."

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Chairman, the gist of this amendment is the reduction of the unobligated balance for general military assistance by $300 million. The purpose of this amendment is not so much to deprive the military assistance program of that particular amount of money as it is to assure that this Congress will be able to review this entire matter when it returns in January. I believe that is necessary, as I indicated in my remarks in general debate, because of the events which have happened since the justifications for this program were prepared, and since the hearings on this matter were conducted. I believe that this is closely related to the truce which has occurred in Indochina. I believe it is closely related because I am firmly of the belief that as part and parcel of the solution in Indochina, there has been a commitment made by Mendes-France that his nation will not ratify the EDC, the European Defense Community, as long as he is Premier of France. I am satisfied of that because Mendes-France has always been a skeptic of the European Defense Community plan. I am quite sure that he will go ahead and go through the formality of attempting to put the EDC plan through the French Parliament, but I am equally convinced that he will make certain that effort will fail because of the groundwork that will be laid in the French Parliament to make it fail. In my opinion, that makes the rearmament of Germany almost a certainty by the time this Congress convenes for the 84th Congress. Some will say, "If that is what is going to happen, leave the money in. Let them go ahead with

that." To my way of thinking, that is too important a decision, and the amount of money involved is too great, for us to give that kind of a blank check without their first coming back to the Congress for a review of this matter.

It does no good for us to say, "Let us make this all dependent upon the actual existence of a European Defense Community" unless we are going to do something to assure that kind of a condition to exist.

I believe the only way we can do it is to defer the availability of these funds, in the light of recent developments in Indochina, and in Europe, until we have a much better idea of what our program is going to be.

The argument will be made that this will hurt the Military Assistance Program because of the long-lead items involved. Well, why is it that in accordance with the tabulation which appears on page 185 of the hearings out of $1,101,000,000 available to the Army for materiel of this kind, tanks and other long-lead items, only $145 million was obligated, and not one dollar of that was for the contracting of new materials? Every single dollars was a diversion, taking out of stocks of materials that had already been contracted for, by our own Defense Departments.

I would like to call attention to the fact that if it was so important to go ahead with this, why did they not contract for $1,175,000,000 for the Army, for $421 million for the Navy, and $954 million for the Air Force? If there is urgency, somebody ought to have been doing something about it during 1954. If there is to be an emergency ahead, there is still plenty of money left here to do all the contracting, all the building up of stock, that will be required before this Congress meets in January.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. DAVIS of Wisconsin was granted 2 additional minutes.)

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. OSTERTAG. I just want to make clear that this amendment would be applicable to the European theater, rather than the world.

Mr. DAVIS of Wisconsin. It is general military assistance. I might say that there is a great deal of transferability among these items. If there is to be need for long-lead items, there is authority that exists to put some of that money into this particular field. I think the value of this amendment is to provide opportunity for a very careful review of this very important and this very expensive program when the Congress returns at the opening of the next Congress. In my opinion, this is the responsibility of Congress, to share in the decisions that must be made, in view of the events that have transpired in recent weeks; in view of events that have transpired since this presentation was made to the Appropriations Committee.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. SMITH of Wisconsin. Does not the record show that if we did not appropriate 1 cent there would be no damage to the program in the next 18 months?

Mr. DAVIS of Wisconsin. Certainly there is a huge unexpended balance and there is a huge unobligated balance.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent, at the request of Mr. ROONEY, the gentleman from Wisconsin was granted 1 additional minute.)

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. ROONEY. I would like to inquire of the gentleman whether or not this proposed amendment would not reduce the program with regard to Greece, Turkey, and Spain.

Mr. DAVIS of Wisconsin. There are other places in this bill for those three countries; as the gentleman well knows. This is a very general matter. There is great transferability, and if you want to torture the situation this much, you could say his takes it from England or Ireland, which would greatly concern the gentleman, or it takes it away from any other country. But as a matter of fact, transferability exists, to put it in any of those particular countries, under the law.

Mr. ROONEY. The gentleman knows I attended the hearings?

Mr. DAVIS of Wisconsin. I certainly know that.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

Mr. Chairman, I do not like to have to take the floor and speak against an amendment offered by my friend from Wisconsin who is one of the most valuable Members of the House; but I do feel that this amendment reducing the unobligated figure by $300 million makes in addition to the cut which the committee has made of $265 million too great a reduction in this particular item.

We are in a very difficult situation in the world. Here is why we have the great unexpended balances in this matter. All through the Korean war the United States forces were being supplied to a very considerable extent out of the stocks that had been accumulated for military purposes in connection with the old Economic Cooperation Administration, and, as a result, things were not supplied to our European allies in the quantities that were necessary in order to put them in a position where they would be able to take care of themselves. Now, that situation has been partly corrected. With the operations of this year we will be able to very largely correct that situation.

If we knock out $300 million of this it is going to mean that we will not be able to build up that first line of defense of troops in Western Europe, in Asia and in the islands in the Pacific that is necessary if we are to prevent the Communists from taking over the entire world. We can a good deal better train and equip and arm some of those European nations and the free of Asia and let them do a part of the fighting than we can to let our own boys and to rely on our own boys to take all the killing, all the wounding, and that sort of thing in defending these other peoples as well as ourselves. I would not want us to shirk our share; on the other hand, I do believe that it is better for us to arm, equip, and train them so that they can carry part of the load than it is for us to let the thing go in such a way that there is no chance of having any help whatever in meeting the situation that we have to face.

Mr. Chairman, I hope the pending amendment will be rejected.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is well for us to put the consideration of this bill in its proper perspective. The distinguished chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], for whom I have the highest respect and admiration, has brought up the argument that it is better for us to arm the people in foreign countries than it is for our own American boys to carry arms. The amendments offered by my colleague from Wisconsin [Mr. DAVIS] have no bearing on this particular principle. I do not think that the question of arming friendly nations around the world is an issue in considering these two Davis amendments. The question which these amendments put squarely before the House is simply the question of whether the entire amount of funds carried in this bill is actually needed to carry out the principles of our mutual-security program.

If each of you will look at the hearing record of the Appropriations Committee on this appropriation bill, you will find in the testimony the recommendations of the Foreign Operations Administration requesting the reappropriation of unexpended balances estimated to be approximately $9.970 billion on July 30, 1954. Of these unexpended balances the Foreign Operations Administration reported that it had obligations for $7.397 billion and that $2.582 billion was completely unobligated and available for use in 1955. Members of our committee staff checked the $7.397 billion in reported obligations of the FOA and upon close investigation estimated that at least $2 billion of the amount reported as obligated by the FOA was not in reality obligated by a firm contract or a firm obligation.

The House Appropriations Committee has authorized the use of $2.3 billion in carryover appropriations and appropriated new funds of $2.8 billion, making the total available for obligation in this current fiscal year of $5.1 billion. In reality, this afternoon we are considering a mutual security bill which totals $12.4 billion due to the fact that this bill does contain language reappropriating all obligated balances of the Foreign Operations Administration in the amount of $7.3 billion plus the $2.3 billion in unobligated balances plus the $2.8 billion in new appropriations.

There is a transferability provision in this bill which allows up to 10 percent of the funds authorized for obligation in fiscal year 1955 to be transferred to any

section for any purpose that the executive department feels is necessary. The list on page 2 of the committee report as far as the breakdown of where funds will actually be used, means very little, when the executive department itself can transfer up to one-half billion dollars to any country or to any area in the world covered by this bill. As a matter of fact, the executive department, under the language presently contained in this bill, can transfer funds appropriated for military procurement to economic aid without limitation.

Our committee staff and the hearing record made before the House Appropriations Committee showed considerable evidence of loose bookkeeping. In an effort to secure some degree of understanding of the reliability of carryover amounts, the committee staff was directed to work with the General Accounting Office on the analysis of the figures submitted by the FOA.

This involved visiting the various locations both in the United States and overseas where records are available and examining the details of individual obligating documents to determine the validity of items reported. It has already been determined that questionable practices, involving substantial sums, are being following in the classification and recording of transactions and obligations. They range all the way from plain clerical errors—$47,800,000—to amounts exceeding limitations stated in letters of intent not yet converted to definitive contracts. Substantial sums are included for lump-sum contingent amounts contained in contracts for spares, spare parts, engineering changes, and the like for which there are no definitized orders and which appear to amount in effect to nothing more than an administrative reservation of funds against possible future purchases. Contracts entered into in 1951 and earlier years, practically dormant for many months, are also included. There are other categories of questionable firmness such as canceled orders not yet removed from the books, excessive cost estimates, lower stock prices promulgated subsequent to the original requisitions, and so forth. The conditions found closely parallel those reported in March 1954 by the Comptroller General on obligations for regular aircraft procurement funds in the Navy and Air Force.

Similar tests were made of selected obligations reported as of May 31 under nonmilitary programs. Many instances were found of outstanding obligations with considerable age which were possibly out of date as well as many instances where there was a direct question of validity from a standpoint of legality and firmness.

While the magnitude of the job is such as to require more time than has been available for a complete analysis, and the committee therefore was not in position to state with any degree of exactness the total amounts which may be involved, the facts developed to date indicate a very serious situation. The analysis is continuing and the Acting Comptroller General has already written a letter to the FOA indicating that it will be necessary for his office to review the obligating procedures being followed.

Under the circumstances it seems to me that if the Congress is to retain some semblance of control over the amounts to be expended, that we cannot authorize the full appropriation that is carried in this bill today. If we are to do away with the poor management and loose bookkeeping procedures which have been used throughout this program, it is necessary for us to reduce the appropriations until such a time as the Foreign Operations Administration can come before our committee and present a clear picture of what the situation actually is in regard to the funds which have already been appropriated to this agency.

Mr. Chairman, we can very well go along with the amendment offered by the gentleman from Wisconsin, adopt his amendment, and we will be insuring much better bookkeeping procedures, much closer scrutiny by the Congress of the funds that are to be used and will be following the procedures which we have used on every other appropriation bill dealing with the appropriation of funds for domestic purposes. We will not be hurting the program, as I want to remind each of the Members here today that our committee was told that the maximum that could be obligated in fiscal year 1955 was $3.5 billion. It is completely unrealistic and almost fantastic to me that the Congress should authorize the expenditure of the entire amount recommended in this bill in view of the fact that these funds will not be allocated or spent until 3 or 4 years in the future. The mere making of large appropriations will not have any real psychological effect upon the threat of international Communist aggression.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Wisconsin seeks to eliminate an additional $300 million from the unobligated funds which the committee has recommended for inclusion in this bill.

I think at this point we ought to start from the beginning to see where this amendment, if approved, would leave us. The administration, in its request for this program for fiscal 1955, proposed the appropriation of new money in the amount of $1,430,300,000. This is a request for military hardware, guns, tanks, ammunition, all of the things that go to build up our allies for the defense of what we call the free world.

The other body, through its Committee on Foreign Relations, in considering the authorization bill, reduced that overall amount by $165 million. The authorization bill was not reduced by the House in the military assistance program.

The administration, in its recommendations for fiscal year 1955, proposed that we reauthorize $2,472,567,283 in old funds which had been previously made available.

Our committee cut those unobligated funds by $265 million plus. The amendment offered by the gentleman from Wisconsin [Mr. DAVIS] would reduce those unobligated balances by an additional $300 million, making a total reduction of new money and old money, if the Davis amendment is agreed to, of $730,479,554, which is better than 10 percent.

Let me review and summarize the situation. A $165 million reduction in new money; plus $265 million which the committee has already cut; and if you approve the Davis amendment you take off another $300 million making a total of some $730 million out of the total request of the President for both new money and old money.

It is my opinion that such action would be a very serious impairment of our effort in conjunction with our allies in building up a strong military force against the threat of communism. As I indicated in my previous remarks, included in this particular item of this bill are the funds for the ammunition of our allies. I think the testimony will show that in this request, both old money and new money, there is an approximate figure of $1 billion for ammunition. We are at the present time considering an amendment that would reduce the total amount by an additional $300 million, which, if combined with the action taken to date would make a total of $730 million.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. DAVIS of Wisconsin. How does the gentleman explain that at least in the Army, in the military-assistance program, where they had well over $1 billion to obligate, as far as the record shows, they have not contracted for one single dollar's worth of ammunition for this program in the fiscal year 1954?

Mr. FORD. I can tell the gentleman this, that the Department of the Army has, as its program for its own forces, a program approximately $1 billion a year for the next few years. Now out of the foreign-aid funds there will be some obligations in the United States through the Department of Defense. In addition, there is an effort to be made for the buildup of ammunition sources of supply in foreign countries. This program is being expedited.

Under the arrangements we have with all of our Department of Defense agencies the FOA puts in a request and the obligation is not actually firm until delivery is about to be made. I cannot give the gentleman the exact dollar situation. But out of the whole FOA program for ammunition, out of the new money and the old money, it is my recollection that there is close to a billion dollars out of some $6 billion. Bearing in mind our own ammunition picture which is just about what it should be, I think it would be disastrous at this point to take any further action which would complicate the situation for our allies and quite directly for ourselves. Obviously if war should start tomorrow we would have to help supply some of our allies who would be helping us in the fight. I do not think we can take that risk at this very crucial time in world history.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call attention to a very unique provision in the annals of legislative reports. The great Appropriations Committee, composed of 50 Members of this House, after sitting in judgment somewhat as a grand jury, has brought in a broad, sweeping indictment which I should like to read and to emphasize. I think it is unique when a Republican-dominated committee comes to the floor of the House with this indictment leveled at a Republican administrator. This is what the report says:

From an analysis of the underlying details, including examination of a number of specific documents forming the basis for such amounts, the committee can only conclue that there was a deliberate effort to tie-up or dispose of available funds before the June 30 deadline. The finger points clearly to various forms of "June buying" to get rid of "hot money" as basis for support of 1955 requests, a practice long condemned by the committee and on which, as late as April 26, the Director of the Budget issued a directive to agencies cautioning against such practice late in the fiscal year.

It seems to me that if this indictment is true, if our great Committee on Appropriations has found the persons involved guilty, then some sort of a judgment should be rendered. It seems to me that if the committee knows who the guilty parties are the committee should see to it that they are driven from public office before twilight tomorrow. Imagine a committee finding that here was a deliberate and unholy conspiracy to get rid of the money that is provided for our foreign-aid program.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. TABER. This situation was described by our committee because we intend to see that the situation is corrected. It has been going on for years and we intend to stop it. We sent 25 men down into the departments to check it.

Mr. COOLEY. I congratulate the distinguished chairman of this great committee on being so forthright and so frank and so honest in presenting the true facts to the House and to the country, but I do insist that anyone connected with the Government in any capacity who becomes a part to an unholy conspiracy to throw away the people's money as indicated by this report should be removed from public office.

I will not bore you by reading the rest of the report, but the report goes ahead and submits evidence justifying the conclusion of this great committee. I assume that it was an unanimous finding by the Committee on Appropriations. I just want to emphasize this fact: In this very first item in this great bill we are here and now appropriating 3 times more money than the taxpayers of America have lost on the price-support program through the Commodity Credit Corporation in the long period of 22 years. We talk about the cost of the agricultural programs. I am taking the floor to emphasize how inconsequential the cost has been when related to other costs. I wish to call to your attention detailed information which I think minimizes the cost of the agricultural program, as it should be minimized, by the Congress and throughout the country.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GARY. Is it not a fact that if millions of dollars from this program had not been spent to purchase farm surpluses that the losses of the Commodity Credit Corporation on its surplus products would have been very, very much larger than it is today?

Mr. COOLEY. I am not complaining about the fact that money has been spent on the foreign-aid programs. I think the gentleman from Virginia knows that I have consistently, year in and year out, supported the foreign-aid programs, but I do not believe my friend, the gentleman from Virginia, would be willing to countenance or to approve the wasting of money and calling the taxpayers' money hot money.

Mr. GARY. The gentleman from Virginia is on the committee that made this report.

Mr. COOLEY. I know the gentleman is not in favor of it, and I am not saying that agricultural commodities have not been purchased with foreign-aid funds, but I say the gentleman from Virginia ought to tell us that even that amount is inconsequential when related to the overall expenditures that we have made in the field of foreign relief and rehabilitation.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ROONEY. I wish to commend the gentleman on his statement, and to assure him that since there are no less than a dozen people within the sound of his voice who will bring his statement right directly to Governor Stassen that he need have no fear that this will not be brought to his attention.

Mr. COOLEY. I think it ought to be brought to Governor Stassen's attention. I think the President should take notice of the fact that it is unique for a great committee, the Committee on Appropriations, to come here with a bill of indictment, in which the committee has found this public official guilty, I think the committee should insist upon his removal from office.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. Talking about Governor Stassen, is he not the gentleman who not so many weeks ago went to Europe and lifted the trade restrictions with the Communist bloc and then came back to the United States and made the ridiculous statement that he was doing it as a peace gesture?

Mr. COOLEY. Not only that, but he is the same Administrator who played Santa Claus last Christmas to the people of 21 nations in giving away 5 million Christmas presents paid for by the money of the taxpayers of America.

Mr. Chairman, I want to support the pending measure. There are many items and provisions in the pending bill which I cannot, in good conscience, oppose. I know that we must have friends around the world. I know that we must fortify and strengthen the fighting forces of freedom along the Bosporus Strait. Yes; the economy and military forces of Turkey must be strengthened. We must come to the aid of Greece and to the aid of all of the friendly nations, but this administration should assure the American people that the money we have provided shall be wisely and well expended in behalf of the people who believe in freedom. This man Stassen is not an asset, but rather a liability to the administration now in power. I hope that the President will take notice of this report and will take appropriate action to the end that this Government might be rid of Governor Stassen and all of his Santa Claus projects and maladministration of public funds.

Mr. Chairman, but for my great interest in the cause of American agriculture I would not now trespass upon the patience of the Members of this House. When I realize how many billions of dollars we have spent in the last 22 years on the peoples of other lands, and when I realize how some of the people of this country are howling and growling about the money we have spent in supporting the prices of agricultural commodities here in our own country, I feel thoroughly justified in bringing to your attention and to the attention of the people of America the facts concerning the one program which has meant more to the economy of our country than any other program which has been in effect in the past two decades. We have been making history here in Congress in the last few weeks. I think it is very appropriate for me, here and now, to bring to your attention again some pertinent facts and figures, in the hope that I might be able to provide some food for thought.

If my calculations are in error, if my conclusions are inaccurate, I earnestly hope that someone in some way connected with this administration will give the Congress and the country the real facts and the truth.

Mr. Chairman, I could talk on perhaps for hours about this great and paramount subject of agriculture. I know that I shall not in this one feeble effort tell the whole story.

Mr. Chairman, during the 20 years that I have served in Congress I have been a member of the House Committee on Agriculture. For 4 years I had the honor to be chairman of that great committee, and I am now the ranking minority member. My colleagues will bear witness that during that entire 20-year period I have constantly and consistently tried to keep farm problems and farm programs out of and above partisan politics. Fortunately, seldom, if ever, during the 20 years has partisan politics lifted its ugly head in our committee room. The 30 members of the House Committee on Agriculture are all devoted to public duty and are interested in the welfare, not only of the farmers of America, but all of the people of our Nation.

I am certain most of you know that on many occasions I have paid tribute to my long-time and beloved friend, the

present distinguished chairman of that committee, CLIFF HOPE, of Kansas, who has served on the committee for 27 long years, and at the end of this year he, too, will have served as chairman of the committee for 4 years. As current and positive proof of the fact that partisan politics seldom, if ever, enters our deliberations, I need only remind you of the fact that just about 2 weeks ago, when the general farm bill was being considered in the House, the able and distinguished chairman of our great committee led the fight for the preservation and extension of the price-support program on basic agricultural commodities, and as former chairman and ranking minority member, I stood here by his side. The same thing is true with regard to the Agricultural Trade Development and Assistance Act of 1954, which was recently signed by the President. In reporting the general farm bill every Democratic member of the committee, except one, voted with the Republican chairman. I say all of this, Mr. Chairman, in the hope that what I shall now say will be accepted for what it is worth, and that my colleagues may know that I am not now prompted by considerations of partisan politics. As a member of the minority I claim the right to speak out in criticism, but I assure you that I shall speak without bitterness or rancor.

Farm problems like foreign policy should always be kept on a bipartisan or nonpartisan basis. Certainly all of the friends of agriculture are not members of the Democratic Party. In both Houses of Congress there are members of the Republican Party who are devoted to the cause of agriculture. I shall not attempt to list them by name, but they are here and they are not newcomers—nor are they fly-by-night friends. They have been friends of the farmers all through the years and they will continue to fight for all that they believe to be right. They, too, have tried to keep these issues out of partisan politics—they, too, have tried to keep the promises of their party and their party leaders. But what spectacles have we witnessed as legislation affecting the welfare of farmers has been brought to this House for consideration. The leadership has turned on some of these great men, these tried and trusted friends of agriculture, but all of us know that there is no flaw in their armor and no blood upon their shields. These friends of agriculture need never be afraid for they shall triumph in the campaigns to come.

No one segment of our economy has been singled out for such lambasting and for such cruel treatment as is now being administered to the farmers of America. Every blustering, blundering bureaucrat seems to have turned against the farmer. A deliberate, willful, wicked, and wanton effort is being made to cause the consumers of America to revolt and to turn against the farmers of the Nation. The farm program has been distorted, denounced and ridiculed throughout the length and breadth of the Nation. Chief agricultural officials are going up and down the countryside trying their best to bring the farm program into disrepute and the American farmer into disfavor. This laborious effort on the part of those in high places will fail because the consuming public now knows something about the facts of life on the farm front. The consumers of America will not believe that the farmers of America are irresponsible and reckless citizens who are not interested in the general welfare of the Nation. Consumers know that farmers are not trying to get something out of their Government either by fair means or foul, and intelligent consumers know that this price support program has not contributed unduly to the high cost of living.

The chief agricultural officer of the country has actually tried in devious ways to saddle the cost of our foreign-aid program on the bending backs of American farmers. He has presented fictitious, fallacious facts and figures and arguments to the people of the Nation. He has spoken in terms of many billions of dollars when you and I know that according to his own calculations the entire price-support program conducted by the Commodity Credit Corporation on all agricultural commodities, basics and nonbasics, perishables and nonperishables, over a long period of 22 years has only cost slightly more than $1 billion.

The American people have the right to know the truth and they have the right to expect the truth from public officials in high places of trust and responsibility. This is no time for fancy, fiction, fallacy, or fraud. This is the time for a fair, frank, fearless, and forthright presentation of the true facts and figures involved in this much maligned program.

Merely because I was elected a member of the House Committee on Agriculture and have served on that committee during the entire time that I have been a Member of Congress certainly does not mean that as a Representative of a great congressional district I am not interested in the welfare of consumers. Actually I have tried at all times to represent all of the people and not just a part or a segment of our economy. I represent consumers—all of the more than 450,000 people of the district I represent are consumers and this includes, of course, all of the producers of agricultural commodities. I am afraid that some of my colleagues are at times unaware of the fact that I am just as intensely interested in the welfare of consumers as I am in the welfare of producers who labor in the fields of America.

I can justify and I can defend the price-support program on basic agricultural commodities in this or any other forum. I know that it is definitely in the interest of both producers and consumers, and I know, too, that it has not increased the cost of living unduly.

Perhaps the average housewife does not realize that the price of food today is cheaper, in relation to the average family income, than at any other time in the history of the Nation. For 18 percent of the average family income in the current year the housewife can buy better, cleaner, and cheaper food than she could have acquired in the period from 1935 to 1939 with 23.8 percent of the family income. Perhaps the average housewife does not know or realize that when the price of wheat was going down the price of bread was going up. In early 1948 farmers were receiving $2.81 per bushel for wheat. Now the price of wheat is $1.91 per bushel. Yet in this period of time the price of a loaf of bread has gone up from an average cost throughout the Nation of 13.8 cents to a present-day average cost of 17 cents a loaf. While wheat prices declined 32 percent the price of bread was going up 23 percent. Since 1951 farm prices have declined 20 percent in relation to farm prices in 1947–49, but food prices have gone down only about 1 percent. Very little of the lower prices received by farmers since 1951 has been passed on to consumers in lower retail prices.

In 1914 the average factory employee could buy 3.5 pounds of bread with an hour's earnings. In 1929 he could buy 6.4 pounds with 1 hour's earnings. In 1953 he could buy 10.7 pounds of bread with an hour's earnings.

An hour's factory wage in 1953 would buy 1.9 pounds of round steak, compared with 1.2 pounds in 1929. The same hour's earnings will buy 2.2 pounds of butter now as compared with 1 pound of butter in 1929; 7.5 quarts of milk now, 3.9 quarts then; 2.5 dozen eggs now, 1.1 dozen then; 32 pounds of potatoes now, 17.7 pounds then, and on down the line in food items.

The 1-pound loaf of bread sells for 17 cents, as I have just noted. Of that 17 cents, the farmer's part is about 2¼ cents for the total amount of wheat in the 1-pound loaf. The price a farmer receives for a bushel of wheat would have to be reduced 75 cents to reflect a 1-penny reduction in the cost of a loaf of bread.

There is only about 30 cents worth of cotton in a $3.95 cotton shirt. So if the producers and cotton farmers should give the wheat and cotton away there would be very slight, if any, reductions in the cost of a loaf of bread or a cotton shirt.

The tobacco farmers in 1953 received about $800 million for that part of their crop which was consumed in the United States. Now look what the consumers paid in taxes on that tobacco. Federal, State, and local taxes on the 1953 crop, by the time it reached the consumer, amounted to approximately $2,100,000,000.

A spokesman for confectioners, who was urging our committee to remove peanuts from the mandatory price-support program, was forced to admit that even if the price-support program for peanuts was reduced from 90 percent of parity to 75 percent of parity the price the consumer pays for a 5-cent peanut candy bar containing about ½-cent worth of peanuts would not be reduced at all. Confectioners are making higher profits than ever before and yet it is plain to see a change in the price-support program would not benefit consumers. Actually, the amount the farmer receives for the raw agricultural commodities is so negligible when related to the ultimate cost the consumer pays for the finished product that the price-support program has practically no effect on the price consumers are required to pay. Again, I insist that we must im-

prove our distribution system to the end that the great distance from producer to consumer might be shortened and made less expensive. The greatest cost of food is added after it leaves the farmer's hand. The cost of processing handling, transporting, and distributing is all added after the farmer parts with the title and receives his small part of the consumer's dollar.

Actually, consumers have benefited by the farm program. Under the program on the basic agricultural commodities we have maintained a stability in supply and at all itmes consumers have had an abundance of all the vital foods and never has the program resulted in a scarcity which caused consumer prices to rise. Consumers suffer when there is a scarcity of any of the vital foods. The program was designed to bring about an abundant supply at a reasonable price to the end that both producers and consumers might be benefited in the long run.

Our Committee on Agriculture, in its report to the House on the farm bill, commented on this, as follows:

> It must be noted that the largest reduction in the price of food in comparison with wages has occurred during the years of the development of the present program that has as its aim a parity of income for agriculture. It is evident, therefore, that consumers have gotten their greatest concessions in prices of food and fiber in the time of the growth of farm-income stability.

LET'S KNOW THE TRUTH

We knew when we embarked upon the price-support program that we were embarking upon a great experiment. We knew that we were entering a field which had not theretofore been explored in this great and vast country. It was never contemplated that the unlimited production of perishable commodities should be supported at high levels. High level price supports on perishable commodities started when the world was on fire and the altars of freedom were threatened, and the farmers of America were persuaded by patriotic zeal to produce food for freedom. Farmers were told that food would win the war and write the peace. I shall not undertake to defend the potato program under Secretary Brannan, and I certainly shall not undertake to defend Benson and his butter.

Let me go back to the price-support program on the basic commodities. Has it been costly and financially burdensome? Let us take a look at the record. When Secretary Benson moved into the Department of Agriculture the books of the Commodity Credit Corporation's price-support program on the basic commodities, on January 31, 1953, showed a profit, believe it or not, of $8,267,973. Exactly 4 months later, on May 31, 1953, a look at the record indicates that in 120 days profits had been wiped out and the program showed a loss of $8,908,280. The last figures on May 31, 1954, show not only that the profits are gone but that losses have increased to $130,739,501. The latest information furnished to me by the Department indicates that the profits on the sugar program, as of May 31, 1954, amount to $309 million. It is plain, therefore, to see that even now if you subtract the losses sustained on the six basic commodities from the profits on the sugar program you will have a profit of $178,260,499. How can you tell me any good reason why anyone would want to weaken or destroy a program which has operated so successfully and so well. I speak now of the program on the six basic commodities plus sugar which, of course, is a household necessity. So there you have it to date—a profit on the combined operations of CCC and the sugar program of $178,260,499.

Let us look at the record again and see what the figures indicate for the first 21 years of the CCC price support program on basic agricultural commodities. The record shows that at the end of 21 years the program has cost less than $21 million. The actual figure is, according to the record, $20,700,000. The record shows that at that time, at the end of the fiscal year 1953, the profits on the sugar program amount to $296 million. It is plain, therefore, to see that if you subtract the $21 million CCC loss on all the basics from the profits earned on sugar you will have a profit of $275 million. These are the facts and these are the figures, and this is the truth, and I challenge Mr. Benson or anyone who shares his views to deny the substantial accuracy of the figures I have submitted.

Is it not natural for those of us who know something about this situation to wonder why neither Mr. Benson nor his associates ever tell the people that the record shows that we have made a profit on the cotton program of $268 million, and that we have also made a profit on the tobacco program? Is it not strange that neither Mr. Benson nor his associates ever mention the sugar program and the tremendous profits the program has produced? Actually, the sugar program has worked so well and so smoothly, both in times of peace and in times of war, that the ordinary consumer and housewife is not aware of its existence. Yes, the sugar program and the tobacco program have worked so well that both Mr. Benson and the President have placed their stamp of approval upon both programs.

Those who talk so loudly and vociferously about the accumulated losses on the price-support program, seem to be wholly unaware of the fact that along with the accumulated losses we have enjoyed great accumulated gains or benefits. Certainly you will agree that in all fairness losses should be related to gains. During the same period of time accumulated farm income has amounted to $264,150,000,000, or $194,503,000,000 more than our agricultural income would have been had it remained at the 1932 level. So when you relate the one billion-plus to the two hundred and sixty-four billion-plus, you see just how negligible the losses have been. Let us further relate these losses that we are hearing so much about. Let us relate the losses to the accumulated net national income over the same period of time. This is really a figure for you. The accumulated national income for this period totals $3,015,445,000,000. Now, relate the one billion-plus to the three trillion fifteen million-plus and you see just how inconsequential and how negligible these exaggerated losses have been. Actually, the losses of the CCC amount to only fifty-two one-hundredths of 1 percent of the accumulated farm income, and only four one-hundredths of 1 percent of the accumulated national income. If you take the losses on the price-support programs of $1,374,825,203 and subtract the profits on the sugar program of $309 million, losses will be reduced to $1,065,825,203.

On what commodities was this loss sustained? Four commodities accounted for more than 90 percent of all the losses sustained by the CCC. Here is the breakdown:

1. Dairy products—butter, cheese and milk	$203,096,107
2. Potatoes	478,134,189
3. Eggs	189,621,226
4. Wool	92,156,532
Total	963,008,054

The total losses on the price support program on all commodities is as follows:

Basics and nonbasics	$1,374,825,203
Loss on dairy products, potatoes, eggs, and wool	963,008,054
Reduced loss	411,817,149
Profits on sugar program	309,000,000
Total reduced loss on price support program, basics and nonbasics	102,817,149

It appears, therefore, that if you take into consideration the profits on sugar and eliminate the losses on the four commodities I have named, the total losses remaining are very small indeed—only $102,817,149 over the long period of 22 years. And remember, no marketing quotas have ever been imposed on the four commodities I have named.

WHAT WILL MR. BENSON'S PROPOSAL COST TAXPAYERS AND FARMERS

When Secretary Benson appeared before our committee I asked him if he could advise us as to the cost of his proposal to reduce mandatory price supports on basic commodities from 90 percent of parity to 75 percent of parity. He had made no calculations and could give us no idea as to the cost, either to the Government or to producers. I have made some calculations, which I submit for consideration and which I challenge Mr. Benson to refute. Remember that for the first 21 years we had lost less than $21 million on the CCC price-support program for the basic commodities, and in arriving at this figure I have not taken into consideration the profits on the sugar program.

COTTON

If Mr. Benson lowers the price-support program as he wants to do he would devalue cotton to the extent of $23.50 a bale and the total loss to taxpayers and to farmers on their current crop would amount to $451,580,000, or 21 times the amount that had been lost on all the basic commodities in the long period of 21 years. Just think of it. This loss would be sustained by the Government and by the farmers in the short period of 1 year. The Government now has

7,230,000 bales of cotton in inventories and nonrecourse loans.

WHEAT

This is what would happen to the wheat farmers and to the Government. The Government now has 878,620,000 bushels of wheat which would be devalued by Mr. Benson in the amount of $390,241,000 and on the estimated 1954 wheat crop wheat farmers would lose the sum of $326,146,000. This means that the taxpayers and the farmers would lose a total on wheat in 1 short year of $716,387,000.

CORN

The Government has 803,617,000 bushels of corn. Mr. Benson, by lowering the support price to 75 percent of parity, would devalue this corn in the amount of $232,447,000. This would be a direct loss to the Government. The 1954 corn crop is estimated at 3,311,000 bushels. If all of the 1954 crop of corn went through commercial channels to the market, it would be devalued by Mr. Benson's proposition in the amount of $794,758,000. Only 20 percent of the corn will be sold on the market, so 20 percent of these losses amounts to $160 million.

PEANUTS

The Government would lose on peanuts $3,157,000, and the producers of peanuts would lose on the estimated 1954 crop the sum of $23,400,000. Taxpayers and peanut producers would lose a total of $26,557,000.

RICE

On rice the Government would lose $1,215,000, and rice producers on the estimated 1954 crop would lose $44,837,000. The Government and rice producers would lose a total in 1954 of $46,052,000.

To sum up the losses on only 5 of the 6 basic commodities I have mentioned for the 1 year 1954, if farmers are subjected to the harsh and cruel treatment which Mr. Benson is so anxious to administer, the total loss in 1 year would be $1,633,023,000. This is greatly in excess of the total amount lost to date on the program which the CCC has had in operation for 22 years on all the agricultural commodities, basics, nonbasics, perishables, and nonperishables. Who is he to complain about losses when, if he believes in his own proposition, he would cause taxpayers and farmers to sustain more losses in 1 year than have been sustained from the beginning of the program up to this good day?

The truth is there is a lot of double-talk going on around Washington. The President thinks he won a great and sweeping victory when the House lowered the 90 percent of parity price supports to 82½ percent. Secretary Benson knows that the leadership was unwilling to stand up and fight for his proposition to reduce the support program to a flexible basis between 75 percent of parity and 90 percent of parity. It is said around here in high places that the administration would rather have the provisions of the 1949 law to go into effect on January 1, 1955, than to have the program now in operation to continue in effect after that date. This just is not true. All of this talk is just a threat. If the administration wants the law of 1949, why has the administration resorted to the ingenious scheme, the set-aside, in a desperate effort to mislead and to fool the public into believing that it stands for flexible supports from 75 percent of parity to 90 percent of parity when, as a matter of fact, this fallacious and fraudulent set-aside was deliberately devised for the one purpose of maintaining price supports at or about 90 percent of parity? This is definitely borne out by the testimony of Secretary Benson. Mr. Benson knows full well that the provisions of the law of 1949 are too harsh and too cruel to impose upon the farmers of this Nation or upon the economy of our country. He and his associates are smart, ingenious and insidious, so they resort to those devices, the deception and the fraud involved in this set-aside, make-believe program of fallacy and fancy. The very idea of trying to hideaway and set-aside $2,500,000,000 worth of cotton and wheat and other commodities and to go into some sort of trance and to hynotize ourselves into believing that these commodities are not in storage and do not even exist. All of the commodities they are now complaining about are already set-aside. They are already in storage and Mr. Benson frankly admitted to our committee that he had no surplus-disposal program to offer. If Mr. Benson and his associates are honest and sincere in proposing the set-aside, they cannot hereafter advocate the provisions of the law of 1949. I shall not be frightened by the threat. I have no idea that the next Congress will ever permit the harsh and cruel provisions of the law of 1949 to go into effect. The very fact that officials of this administration have not been frank and forthright in dealing with this great problem encourages me to believe that in the next Congress we shall see many strange and new faces. The farmers now should know who their friends are, and I believe they will let their wishes be known in the great referendum which is to be held in November.

If this farm program we now have in operation is a bad program, if it is unholy and wicked, unworkable and burdensome, why not abolish it and be done with it? There is not an intelligent man in America, in or out of Congress, who is familiar with the philosophy and the operations of the program we now have who is bold enough, courageous enough, or foolish enough, to advocate its outright repeal. As at least some proof of this I need only call attention to the fact that the administration now in power came into office to bring about a great change, and although the administration has now been in office for 18 very long months, no official of the Federal Government has advocated the repeal of a single law now "in the book" that is a vital part of the program we now have. If the program is bad, I wonder why the administration does not come out and say so. If it is good, why not hold on to it, strengthen it, and perfect it? Yes, if it is bad, why not make a frontal attack upon it and pull it apart and to pieces rather than to go around gnawing at its vitals? I think Mr. Benson knows that if we should abandon, abolish, or repeal the present farm program and all of its vital parts and parcels, we would wreak ruin on every man, woman, and child in America. We would find ourselves buried beneath the products of those who till and toil in the fields of our country. We would again be starving in the midst of plenty, but never shall that happen to our people again. Never shall American agriculture turn again to the ancient and cruel law of supply and demand. Never shall the American farmers knowingly produce themselves into bankruptcy again.

During the last two decades farmers cooperating with their own great Government have tried earnestly and diligently to keep production in line with reasonable consumer demand and to provide at all times an abundance of food, feed, and fiber to meet the needs of our own people. The farmers of America have a right to the legislative machinery and the programs that Congress has provided.

I take great pride in the fact that I have been permitted to participate in the preparation and passage of most of the legislation which has enabled us to build the great program now in operation. I shall not apologize for it but rather I shall defend it in any forum. I know that it is vital not only to the welfare of farmers but to the welfare of the Nation. If it should be repealed, abandoned, or abolished, this Nation would go into an economic tailspin and the economy of our country would collapse. Then we would be easy prey for the enemies of democracy who want to take over and destroy our cherished altars of freedom.

Through the years the Christians have prayed that our fields might be made to flourish and our people be made to prosper. We should thank the great God who rules the universe that He has blessed our land like no other nation beneath all His blue and bending sky has ever been blessed before. If we were in want and our storehouses were empty and our people were hungry, maybe then we would bend our knees and ask Heaven to bless us and to cause our fields to flourish. Here we are with our storage houses bulging with all that the good earth can give forth and yet we are fretting and complaining as if we were in great distress. We should be ashamed of those who regard these great blessings as a curse upon our people. Events of tomorrow are the secrets of tonight. Who among us knows what tomorrow will bring? Even now in many areas of our country our fields are parching, the ground is cracking, and the green fields are not flourishing. In other areas floodwaters sweep through the river valleys, bringing great distress and destruction. Thousands upon thousands of our own people even now are in want. Yes, tomorrow we may find that in our fight for freedom bread and butter may be better than bullets and bayonets.

Let us learn something about the arts of distribution and think of the woe and the want and the sorrow and the anguish of the peoples of this earth. There is some man, woman, or child somewhere

out yonder in the world who needs and wants the food and fiber we have in such abundance.

Agriculture is big business. Agriculture is the art of arts and upon it we all must ultimately depend. If America is to be a prosperous America, farmers must be prosperous. A prostrate agriculture means a paralyzed America. Agriculture, labor, and industry must march together under one flag for one country and must not permit demagogs to divide them. If we are to live and to labor as freemen, we must realize that we are interdependent, one upon the other, and that one group cannot long prosper at the expense of any other segment of our economy. Let not those new apostles of freedom tear us apart and asunder. Let us come even closer together and counsel to the end that we might settle the problems that perplex us. Let us not be frightened by the products of our labor, but let us put to rout those who would cause a revolt among us as we seek to solve the paramount problems of our time.

Lower the boom and paralyze the farmers of America, if you will, and millions will walk again the dreary highways and streets looking for jobs and livelihoods. It is a shortsighted leadership that does not now know that farmers must be prosperous and that purchasing power must not be impaired if this Nation is to prosper.

The fact that the real situation has been so grossly exaggerated, magnified, and distorted, has prompted me to impose upon your patience and to submit these facts and figures, these observations and conclusions, in the ultimate hope that you will agree that the present farm program should be saved.

Mr. CLARDY. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I do not think we should get any politics into this matter at all from the gentleman on the right. They have been indulging in politics with this program, buying votes and other things so long that I think they should leave that out in all decency and honesty. I am interested in this amendment because I am opposed to the philosophy upon which the entire giveaway program has been founded. I know it has been bipartisan more or less in its enactment, but it originated when we were not in power—thank God. But here we have before us an opportunity to express our agreement or disagreement with a philosophy that has failed. I know of no way in the world to judge a program except by experience. The more we have spent, and the faster we have spent it, the more countries and the more people have receded behind the Iron Curtain and the smaller the circle of our friends has become. I remember Manchuria. I remember the millions of rounds of ammunition and the guns that are today, and were being used against us in Korea and elsewhere. We are worrying today about what will happen with the arms and ammunition that have been given to the French in Indochina and we are wondering whether those things will be turned against us. I am wondering whether or not the arms and ammunition that we have delivered to France—France herself—will be used against us. And I am wondering if we do not have hostages to the Communists in the near future, if the move should be made within the time that some people think it may in the form of divisions we have planted in the midst of our enemies in a country that is today 25 percent Communist. We had better begin thinking about conserving our strength and our energy—to preserve our own strength so that when the final test comes, we will not be wanting in the things that we need. Another thing that I think we ought to be thinking about is this: I came to the Congress largely because I grew angry at the Congress continually giving the Executive blank checks.

I have not changed my opinion merely because there is a Republican administration in power. It is just as bad to give a blank check to a Republican President and a Republican administration as it was to give it to a Democratic administration.

Today it seems to me it is time we began to think about the thing that the gentleman from Wisconsin [Mr. LAIRD] said: "Do we need to do this, or do we need, instead of doing that, to try to tighten the purse strings, to be sure, before we vote one red cent, that we know where it is going to be spent and how it is going to be used." I do not have any faith whatsoever at the moment, in the direction in which we are going, if we are going to come out on the right side. I think we have gone down the road of disaster so far that unless we stop, look, and listen, we are going to be isolated, not because we are isolationists but simply because our money has been used against us and it is being used today as it will continue to be used in France and in England.

If the political wheel makes one more turn in Britain, you have only got to remember what Bevin and Attlee said to know into whose arms England will fall in the event of a fight between the Communist world and ourselves. As a member of the Committee on Un-American Activities, there is no one can challenge my desire to lick communism.

I am in favor of the amendment and against the entire bill, because I think the philosophy behind it is unsound, and experience has proved that to be so. I hope the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, at times it seems just a short while ago that I first came here, and at other times it seems a long time ago. I came here about 20 years ago, at about the time things were beginning to develop in Europe that resulted in World War II. I well recall my service here at that time, when the debate raged as to just what this Government should do in respect to that conflict.

One of the things I voted for in 1935 was the Neutrality Act that was proposed by the administration then in power. I voted for many other measures, such as to ban shipments of goods in American vessels, and other subjects related thereto. Then, after a while, there was a request that we abandon that position, and measures like lend-lease came along. Now it is a matter of record that I opposed many of those measures before World War II. On occasion I have been severely criticized for what some people said was lack of foresight. I do not know that it avails much to review history, except to point out that in the years I have been here has been trouble in the world, there has been controversy, and there have been wars, hot and cold.

I have observed that as wars broke out, somehow we wound up getting into them. And there was a lesson for me. I think it is worth noting that while many in this country opposed our entry into that war and did not like the fact that we got into it, as Americans we concluded that if America is in a war there is only one thing to do and that is to win it.

Everybody put his shoulder to the wheel to that end.

After we won World War II we searched for ways to win the peace. One of the reasons I did not want to enter World War II was that no one had ever shown me the arithmetic of how we could win the peace. In any event, after we won World War II I put my best efforts forward to try to do those things that would win the peace.

There are charges and countercharges as to who has been responsible since the end of World War II. Some of my friends on the right have been quite critical of some statements made by certain Republican people in high places in Government. I saw very recently that the most recent candidate of the Democratic Party for President had some rather critical things to say of the foreign policy under the present administration. However, this is not the time to go into that. We must look at this situation as it stands now, in light of the immediate past.

The gentleman from Michigan, who has just spoken, says that he disagrees with all of this philosophy. He calls it a giveaway program. I do not think it is quite that; in fact, I know it is not that. I well recall when as the majority leader of the 80th Congress, a Republican Congress, I was called to the White House with other Republican leaders and at that time there was outlined to us a very dangerous situation then confronting Greece and Turkey.

We were asked to advance aid to Greece and Turkey in the hope that those two countries might be saved from communism. As the leader of that Congress I responded to the request. I think it is only fair to say that as a result of the help we have given those two countries, Greece and Turkey, they stand today as bulwarks of defense against the Soviet threat. I think they will fight if need be in the defense of freedom.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(Mr. HALLECK, by unanimous consent, was allowed to proceed for 5 additional minutes.)

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. CLARDY. Can the gentleman name any more besides the two countries he has just named?

Mr. HALLECK. Yes; I can. I can name a few more. If the gentleman wants me to be perfectly frank, and I assume he does, I voted for interim aid to France and Italy. Communism has not yet swept those two countries and I pray it will not, although as to their military strength I am not too sure. I may say to the gentleman I believe from everything I have been able to find out that there is an awakening to responsibility there and it may well mean for us a better situation.

Mr. Chairman, people refer to these programs as foreign aid. I wish we could get away from that misnomer because it is a misnomer. At the outset it was more a matter of economic assistance to help these nations get on their feet to the end that they might resist Communist infiltration and Communist aggression. Since that time as the program has progressed, what has happened? The economic end of it has come to be a very minor part of the whole program and, as it has come to be a minor part, military assistance has come into the ascendancy until today, I am informed, 85 percent of the money we appropriate is either for direct military assistance or for defense support, which is approximately the same thing. If that is true, then it involves a vital part of the defense of this country.

I think in respect to our national defense we must achieve three types of balance. First we must have a balance between what we spend for the armed services and what action we take for the maintenance of a strong functioning economy at home, because, as President Eisenhower said when he came back from Europe to report, the Armed Forces are but the cutting edge of a great productive machine that is America. So we must strike that balance, and I give credit to the Eisenhower administration and this Congress for achieving what I think is a judicious balance between what we spend for arms and what we do to maintain a strong economy at home. Then we must have a balance between the services themselves, the Army, the Air Force, and the Navy. We are getting that balance. And then I come to the third balance, and I think this is equally essential. It is a balance between what we do for our national defense directly here at home and what we do for what some have chosen to call the maintenance of foreign military outposts. I realize that phrase carries something of a connotation that probably I should not challenge, but the fact of the matter is that we do have military establishments of our own as well as others in the hands of people we believe are friendly to us throughout the world where, upon an attack by the Soviets, there could be retaliation.

Now, who is there among us who would draw the defense of this country back to the Canadian border on the north, the Pacific on the west, the Atlantic on the east, and the Gulf of Mexico and Mexico on the south? In this day of aircraft that fly 600 and 700 miles an hour, everyone must certainly realize the peril of that position. The adequate defense of the country would not permit it.

So, what does that dictate? It dictates that we must not permit ourselves to become isolated. Instead, the more nearly we can isolate the enemy in this day of atomic warfare, the better off we are for the protection of our own country. It was not so long ago that the threat of the establishment of a Communist beachhead in the Western Hemisphere had us all concerned, and it was not so long ago that a couple of aircraft, presumably from the China mainland, were shot down in defensive action by our people, people who were in a place they had a right to be.

I say to you that the situation in the world is not good. We stand in a perilous situation. I am not despondent about it, but I say that this is no time to relax in the defense of our country. Of course, if anyone were so naive as to believe that the Soviet intentions are not what they have been demonstrated to be in recent years, then we could forget all about this; we could demobilize and quit spending $45 billion a year for our national defense. But, does anyone here believe that? Too many mistakes in that line were made in recent years for us to make the same errors again. This bill has already been cut by the Committee on Appropriations. I think it has been cut to the bone. I know that is what the President thinks.

Let me tell you something. We were at the White House last Monday morning at the leaders' meeting—I think it can properly be told now—and we were discussing a number of matters that are before the Congress, some of them important and, I must say, some of them quite inconsequential. While we were there a very brief message about the two Chinese warplanes was brought to our attention. Such an incident causes you to pause. It makes you think. It makes you wonder just how important some of these other things are. Now, for myself, I trust that this amendment is defeated. I realize that many are distrustful of this whole program. Many, I suppose, cannot see much good in it, but on the other hand, if I am right and if you believe that it is an integral part of the defense of this great land of ours, then I say let us go on and pass this bill and not adopt the amendment to cut these appropriations further to the end that this program may be brought to passage and the defense of our country maintained.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. We have just listened for 12 minutes to a statement which in my judgment at least is a plea to us to go along with this three billion and more giveaway program. The gentleman said that it was not a giveaway program, but we know that that is what it is. That kind of talk makes me think of a fellow in my district who went out to shoot a bear. And this is what he did. Instead of taking his rifle and a real load, a rifle loaded with a real bullet backed by an adequate charge of powder, he loaded his old musket up with an ounce and a half of 7½ chilled shot. All he did was to irritate the bear—make him sore—which is what our donations to other nations has done—though unlike the bear they come back for more.

Instead of fighting Communists where they live, for years we have been sending our money and, as my respected and admired colleague the gentleman from Michigan [Mr. FORD] said, we have been scattering our guns, our money, and our ammunition all over the world. Billions of dollars of it. What is the result? We have been losing every single year and every war—for even the winner of a war is a loser.

Each year communism has gained because of the strength we have given it. Sure, as the gentleman said, they shot down two planes the other day. What are we going to do about it? Are we going along with Britain which insists we live with the Communists, join forces with them? When I have it in for somebody, if I cannot do anything about it, I keep still. But if I can, I will hit him, and where it hurts. But I will not be building up his strength and furnishing him with the things that will help him in the end to destroy me.

I agree with my colleague from Indiana [Mr. HALLECK] in one statement. Of course, we cannot with safety confine our defenses to the two oceans and the Gulf of Mexico—of course not. But that policy would not be any more unsound, if we were to try that, than to try to spread ourselves all over the world. That is going to the other extreme. Great and powerful though we may be—and we have been advised of that fact by those who ought to know something about it, we just cannot continue to exist if we insist upon spreading our strength all over the world. That would be an invitation to war—would make our destruction certain.

You remember that Britain used to boast that the sun never set on the British flag. We may now well say that the sun never rises in the morning, never goes down in the evening, but that it shines on the graves of American soldiers killed, if we judge by results, in a hopeless and a useless war.

Oh, yes—the President did say that there was a cutting edge and that our Armed Forces were the cutting edge of a great and powerful machine. He also, in substance, said that if we spent enough money keeping it sharp and grinding it, we could spend ourselves into an economic disaster. That by spending we could destroy ourselves just as certainly as spending ourselves into bankruptcy as by failing to arm and to be prepared for war. That seems to be what we are doing.

If what our military men tell us is true, that we have these destructive bombs, and we have these planes, and that we

can win a war anywhere today, and if Russia means what some say she does—war—and if such acts as happened the other day are to come again, is there not some sensible course for us to take which will make us safe? Shall we continue merely to prepare ourselves? Instead of temporizing, instead of depending upon other nations which have had so much in the way of money and supplies from us, instead of depending upon them when they have declared to us time and again that they wanted to take into the family council the very nation which was responsible for shooting down that plane the other day—instead of listening to them, if we are to fight, if that is the proposition, and if there is no escape why not meet the issue by striking at China?

No one wants war. But if those who want a policy which means war why be caught asleep—why continue to fight a succession of Russia's controlled nations?

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I should like to see if we cannot agree on a time for closing debate on this amendment and all amendments thereto.

I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 25 minutes, the last 10 to be reserved to the committee.

Mr. GAVIN. I object, Mr. Chairman, unless I may have 5 minutes. I was on my feet before the chairman rose.

Mr. TABER. I had figured that this request would include time for the gentleman from Pennsylvania. Maybe I am wrong.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto be limited to 25 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, everybody agrees that we face a grim and deadly threat from the Soviets. There are some of our brethren who, if we must fight, would apparently rather fight them here in the United States and fight alone. I would prefer that if we have to fight we fight away from home and not do all the fighting alone. That is the basis of this bill.

Criticism has been made of the study and report of obligations made by this committee as if "June buying," the distortion of obligations were something new. I first saw this practice back in lend-lease days when we found you could not be sure what was meant by an obligation. I congratulate this committee, however, on doing something about an old evil. This committee has already acted on its criticism of obligations by cutting this bill. This committee has already cut $165 million in new money and $265 million in unobligated balances, a total of $430 million, out of the bill, which reduces the request of $1,430,000,000 which was carried into the authorization bill nearly one-third. That means this particular item for military aid has had a cut of nearly one-third now. The present amendment would cut out $300 million more. I hope the amendment will not prevail. All of this military program is built up out of what they call Joint Chiefs of Staff force goals. These goals are about three billion below the requests of our own military advisers in the various foreign countries, according to testimony given our committee.

Let me read from page 64 of the hearings before the Appropriations Committee, and let me point out to you how General Stewart, who is in charge of this program, described this money that we are talking about that members say can be reduced further:

Mr. GARY. Are there any portions of those funds which are not programed?

Mr. O'HARA. Do you mean of the unobligated balance?

Mr. GARY. Yes.

Mr. O'HARA. There are a few items shown on the tables that are not firmly programed yet.

(Discussion off the record.)

General STEWART. There is not $1 of unobligated funds in this entire program that is not represented by an established, screened requirement. If there are some dollars, as there are in this program, that are not for legally or administratively approved programs, it is because of the fact this program never stands still for a minute. It is changing constantly, and there are periods when during a change there will be a certain amount of money that is not yet on a certain approved program. There will be periods when we first get the money when we do not have the programs finally approved, but the total requirements we are trying to meet far exceed any funds that we have.

Mr. TABER. What do you mean by requirements?

General STEWART. If you will take the forces in each country that we have agreed to contribute equipment for, and if you take the total deficiencies of those forces that we, under our criteria, will fill, and add them up, they far exceed the total value of what we have programed. We have not spent all this money. Some of it is not legally obligated, but I certainly hope we can make it clear that every dollar is represented by an established need.

I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I am sorry my very good friend, the majority leader, is not present because I just wanted to call to his attention that we are $275 billion in debt. A million dollars is a thousand thousand dollars and a billion dollars is a thousand million dollars, and we owe two hundred and seventy-five thousand million dollars, which future generations of Americans by the sweat of their brow, must produce the money to pay the taxes to pay the bill. I also am a firm believer in national defense, but I do think we are scattering our hits in so many different directions, that if we were called upon to win a game, we would not be able to do so. As to this $300 million proposed cut—it is my opinion it is in order. I am for national defense here at home—first, last, and always. I want to see this Nation build up the greatest military strength that we have ever had to meet the demands that may be made upon us at any time at any place in the world; that is, building up our own national defense in our country. However, when we get into these foreign aid programs for defense, it is questionable, so far as I am concerned, in view of the fact that it is not designated where the money is to be allocated, what these countries actually would do if we were suddenly catapulted into an emergency—I do not know. We have been putting billions and billions of dollars into the defense of Europe. The French after 4 years have given no indication they will go along with EDC. Italy has given no indication of participating in EDC. We are making every effort to persuade them to join in EDC to build up the defense of Europe, but evidently they do not care to participate with us. We are pouring all this military equipment into Europe. If the Russians would move, which I doubt very much, but they could move to the English Channel as fast as mechanized equipment could take them, they would take over the great industrial centers, air bases, military warehouses and military depots. Then what would become of this equipment we have been pouring into these countries, I do not know. I think we ought to proceed just a bit more slowly and more carefully and find out where we are going and what this money is going to buy and what countries are going to receive it. We should build on strength and not weakness. It took us 4 years to wake up to support Spain, our friend, a great country that is anti-Communist. They had one million casualties in the Spanish civil war, they know what communism is all about. It took us 4 years to recognize the fact that they wanted to participate with us in the defense of Europe. The Germans are now begging us for rearmament. We have a number of divisions in Germany now. If the Russians move in a pincer movement, they would take over these forces and we would find ourselves in a very difficult position. It is time to rearm Germany; it is long overdue. But still we will not go ahead and recognize the fact that the rearming of Germany, with 25 divisions on the line in Germany, would do more to stop the threat of Russian communism than anything else that we could do.

Back in July 1950, I made the following statement—it applies now as it did then—and I quote:

In order to construct an organized and effective defense force, we must first undertake to determine, approximately at least, the probable size and strength of the forces which the Soviet Union could put in the field in that theater. I have heard various estimates presented to the committees of the House and the Senate, and have read numerous articles in newspapers and popular magazines. Most qualified observers, though, agree that the Soviet Union could, within the first month or 6 weeks following the beginning of a war, place between 100 and 125 fully armed, well-trained and equipped divisions on the western front, between Stettin and Trieste. Within 6 months to a year they could increase this by at least another 100 divisions. So far as tactical air support for ground units is concerned, that is, in close support of land armies, the disparity in forces is so great that I should hesitate to venture an evaluation. At this point, there may be heard the remark that the Russian Armies would outrun their sup-

plies and thereby immobilize themselves. This is not the case. As long as there were no major contending armies in Western Europe, to oppose the Russian advance, there could be no large battles. Major battles and sustained conflict are the principal causes of the consumption of war materiel, such as artillery ammunition, aircraft, and fuel. The Soviet armies are accustomed to living off the land, and their requirements for the individual soldier are comparatively simple. Assuming that they would assemble large reserves of food and gasoline before launching a major offensive, I do not believe that in the absence of a strong opposing force the Red army will halt short of the English Channel, the Pyrenees, and the Po Valley. In short, they will not stop, but must be stopped.

In order to be in a position to oppose major Russian offensives against Western Europe, the nations with which we are allied and to whose defenses we are pledged should be able to interpose an effective force equal to not less than 50 percent, and preferably 70 percent, of the initial Soviet striking force. In estimating these requirements, I disregard such intangible political factors as Communist disaffection in the Western European countries, with the attendant possibilties of sabotage, riots, and so forth. In short the Atlantic Pact countries, including Great Britain and the United States, would need, within the first 6 weeks or 2 months after the outbreak of war, a force of some 60–70 divisions. At the present time, including the United States forces in Europe, we would have available only some 25–30 divisions at most. For example, the French Army, which in 1939 mobilized over 100 divisions, could today put from 8–12 divisions in the field, even disregarding the struggle now raging in Indochina. Holland and Belgium, whose armies formerly consisted of 8–10 divisions each, now could only account for 5 or 6. Contributions of the other Atlantic Pact countries are likewise small, and would require considerable time to mobilize.

I have examined this problem for a considerable period of time, and have sought the best information available. As I have stated previously, I had an interview with General DeLattre, former chief of the French Army, and now commander of the ground forces of the Atlantic Pact nations, in December of this past year. This experienced soldier and determined leader told me that he was glad to have the assistance of the Italian Army, and would likewise welcome the Spanish infantry. Even assuming, though, that Italy, handicapped as it is by the limitations of the peace treaty, could organize, equip, and train a force of 6 to 10 divisions, and that Spain could furnish the equivalent of 5 to 7 more, we are still woefully short. Unless we propose to launch our counteroffensives on the beaches of Normandy, and the southern slopes of the Alps, we must have more troops. As a simple matter of arithmetic, whichever way strategists sum up the military conditions, and regardless of detailed estimates, concerning which I shall not quarrel with anyone, we must have the equivalent of at least 25 German divisions, if we are to defend western Europe. It is only by this means that the overwhelming preponderance of the Russian armed forces can be balanced. I regret as much as anyone that the high hopes of 1944 and 1945 concerning world disarmament and the United Nations have not been realized. At the same time, we cannot disregard the continuing buildup of Russian strength, and allow the weakness of our own forces and those of our potential allies to continue. Nor do I welcome a resurgence of German military might, which has twice within this generation required the sacrifice of American manhood on the battlefields in Europe. But we cannot meet the present danger by concerning ourselves with past problems.

In my opinion, this military situation calls for a fresh, constructive, and coordinated program which will permit western Europe, without restoring German militarism, to utilize the capabilities, resources, and determination of the 45 million people in western Germany in the organization and defense against Russian aggression. I am confident that if we give this matter our attention, results can be obtained. One method, which may not necessarily be the best, was suggested last fall by the London Economist, namely, the organization of German infantry units as parts of the overall Allied land army. Whatever means are adopted, we must face the realities of the situation; and the sooner we organize the available—and indispensable—military resources of western Germany, the better we shall be prepared. Whether we like it or not, the division of Germany is complete. And, it is necessary to treat the Germans in our sector as European citizens, with equal rights, and with equal obligations for the defense of their homeland.

Along with the integration of Germany into the economy of Western Europe, and the organization of an effective military establishment incorporating and utilizing the capabilities of the German people, we must reexamine the strength and purpose of our occupation forces in Europe. Our small contingent there was organized to deal with problems of military Government, in the immediate postwar period, and to provide a force capable of meeting any insurrection. Surely, no one believes today that the mission of our forces in Germany is to prevent uprisings in Frankfurt or Munich. Our forces in Europe should be reorganized and strengthened, for the mission of providing a striking force capable of rapid mobilization. They should be organized and equipped to assist also the components of the Western European countries, including those to be raised and trained in Germany. This will require, in my opinion, substantially larger forces than we now have in Germany, particularly with respect to the Air Forces, and the mechanized elements of our ground forces.

To sum up, we have undertaken, during the postwar period, the organization and defense of Western Europe. We have invested very substantial sums for this purpose; but such expenditures cannot be continued indefinitely without threatening our own economy. It is generally recognized that one major deterrent to the economic recovery of Western Europe is the dread of Russian invasion. By incorporating Western Germany into the economy of Europe, and by mobilizing the military potential of Germany, we can achieve a twofold purpose. We shall reduce the drain upon American resources and the burden of the American taxpayer. We shall provide the underlying conditions for political stability and confidence, which are so essential if Germany is to achieve self-support and attract the capital investment required to provide employment for the present population. At the same time, we can restore the hope and confidence of the German people in their ability to defend their homeland.

Such a program calls for a new examination and a fresh start on our part. It will also call for some assistance, both economic and military. However, the most valuable form of assistance, whether to an individual or to a nation, is that which encourages further effort, and does not constitute a continuing dole. Almost 5 years have passed since the end of hostilities in Europe, and time is running out for us. Let us embark now on a program which will merit the support of the American people, encourage the efforts of those Germans west of the Iron Curtain, in helping Europe rebuild its economy, and prepare its defenses.

At the time I made that statement on the reexamination of our German policies, 5 years had passed since the end of the war and now 4 more years have passed and no action has been taken on the rearming of Germany.

We seem to be still waiting for the State Department's agonizing reappraisal of our situation in Europe. I wonder if we must continue to defer the rearming of Germany until the French and Italians make up their minds. Time does not stand still and this move is already 4 years overdue.

It seems to me that our continued aid to France and Italy on a large scale may merely postpone their action instead of expediting it. Certainly the foreign aid program has continued a long while and the justification has changed remarkably.

It is doubtful, in my mind, if a continuation of this spending will bring about the ratification of EDC by France and Italy.

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have news for the gentleman from Pennsylvania [Mr. GAVIN], my good friend who always delights us with the same kind of speeches. We are in an emergency. We do not have to wait for one. We are in one right now. Let us call the roll on where this money for military assistance is going sought to be cut by $300 million: Greece, Turkey, Pakistan, Iran, the Philippines, Formosa, Thailand, and what is left of Indochina, the independent states of Laos and Cambodia and South Viet Nam.

There is one thing I cannot do. I cannot undertake to convince a number of the gentlemen who have spoken. Some have been frank enough to say that they will vote against the bill anyway, so I must direct my remarks to those who sustained this program a few short weeks ago, and who are now concerned with whether the cost which is put before us is legitimate. It is legitimate, for this reason: What the gentleman from Wisconsin, Mr. DAVIS, has sought to cut are what he calls unobligated funds, but he has not tried to cut new appropriations at all. The new appropriation has already been cut by the Senate committee $165 million. This committee itself has already taken off $265 million of the unobligated funds. I will assume that in the conference they will try to work that out with the Senate, based upon the real needs. But the cut of the gentleman from Wisconsin is a meataxe cut, because every dollar of this money is programed. That means it is promised to one of our allies in a military sense.

Let me call attention to the statement in the report of the Committee on Foreign Affairs when we brought this bill up in 1954:

> Nineteen hundred and fifty-four will see a 5 percent increase in ground force strength, a 15 percent increase in naval strength, and a 25 percent increase in air strength in NATO.

These unobligated balances are the amounts of money which will go under contract as soon as model questions and

similar plans are decided upon, but they have been programed. That is the reason for the force goals which we are talking about in NATO. That is the reason for the increase in military strength.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. DAVIS of Wisconsin. The gentleman is certainly using a very loose interpretation of the word "program." If the gentleman is so sure that all of this money has been programed, I hope he will be good enough to tell us where it is programed.

Mr. JAVITS. I have just given the facts and the figures from the Foreign Affairs Committee report on the MSA bill. General Stewart testified that you cannot actually sign a written contract for every dollar that is programed and committed generally for technical reasans. The whole House is against the improvident signing of contracts until they are really ready to be signed. By "programed" we mean that every dollar has been promised to a country in return for their promise to build up our strength as in NATO.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from West Virginia [Mr. BAILEY] is recognized.

Mr. BAILEY. Mr. Chairman, when I sought recognition I had in mind expressing my views on the general appropriation and not on his particular amendment. At this time I ask unanimous consent that my time be transferred to the gentleman from Virginia [Mr. GARY], a member of the committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Vermont [Mr. PROUTY] is recognized.

(Mr. PROUTY asked and was given permission to revise and extend his remarks.)

Mr. PROUTY. Mr. Chairman, modern man has been defined as the mess we are in. I think most of us will agree that that definition is rather an apt one. Certainly the events which have occurred during the past several days and weeks do not offer any grounds for emulating the ostrich and burying our heads in the sands of complacency. We are in a very serious situation right now, and I think most of us should realize that.

I often recall a story which appeared in the text of a speech delivered by a scientist who was actively engaged in the development of the first atom bomb. I have never told the story before, I am not sure that I can now, but I shall try.

It seems that one nation dropped a bomb on a second. The second nation retaliated and before long bombs were falling all over the world. But the war did not last long because it was an atomic war. As a result every living creature on the face of the earth was destroyed; that is, except for two monkeys who lived on an island in the South Pacific. Somehow or other miraculously they had been spared. They had witnessed the boiling seas, they had seen the sun obscured as a result of the dust clouds in the air, they had felt the fury of the hurricane winds, had seen the palm trees denuded of their fronds, and observed the boiling seas.

Finally came the calm. One monkey, after surveying the complete and utter desolation reached out, pulled his mate closer to his side, put his arm on her shoulder, looked into her eyes and with a completely distorted sense of the theory of evolution in his mind said: "Darling, should we start this all over again?"

Properly told there is an element of humor in that story. Obviously it was not properly told this afternoon. But whether we like it or not it is that kind of world, it is that kind of Buck Rogers civilization, in which we are living. The program is not going to produce miracles but I think it will add immeasurably not only to the security of the free world generally but to that of the United States. That is the justification for the program.

It is not a giveaway foreign aid program. It is a vital part of the security program of this country. I certainly hope the pending amendment will not be agreed to. The Committee on Appropriations has done a very fine job. It has made substantial cuts where that can be made safely, but we should not jeopardize the program, we should not endanger the security of this Nation by any further reductions.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I sincerely hope that this amendment will not be adopted. It strikes at the very heart of the bill in that it strikes at military assistance.

The bill as a whole, as you know, has been reduced by $812 million below the original request or about 13 percent, and in terms of funds available for obligation in fiscal 1955 as compared with those available in fiscal 1954 by $1,700 million, or about 25 percent.

This amendment would add $300 million to those figures bringing the amount below the request to the extend of $1,112 million and below the funds available for fiscal 1954 to the extent of about $2 billion.

Mr. Chairman, this is a drastic cut. It is drastic in comparison with the views which the President has expressed. It is drastic in comparison with the views which I believe to be held by the Secretary of State, by General Gruenther, and other military leaders. If adopted, it could be interpreted abroad as a very drastic cut.

Mr. Chairman, we are in the midst of a cold war. We need all the military power that we can possibly develop. Military power is vital not only to our own defense but to the defense of the free world.

Eighty-five percent of the funds carried in this bill are for the purpose of developing military power. The item for military assistance has already been cut to the extent of about $430 million. This amendment, if adopted, would increase the cut to almost three-quarters of a billion dollars and leave us with funds available for obligation for military assistance in fiscal 1955 below those available in fiscal 1954 to the extent of over $1 billion.

Mr. Chairman, the proposed cut is too drastic. The pending amendment should be defeated.

(Mr. MOULDER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MOULDER. Mr. Chairman, I am supporting and will vote for both of the amendments offered by the gentleman from Wisconsin [Mr. DAVIS]. I am informed that there is an unexpended sum of approximately $9 billion for military and economic aid for foreign countries. This bill, H. R. 10051, appropriates an additional $5 billion.

Mr. Chairman, yesterday I introduced a bill, H. R. 10058, which, if passed by Congress, would provide $1 billion for emergency relief in the drought-stricken areas of the United States. The bill would establish a program for the purchase of beef and cattle in drought-stricken areas for distribution to schools, hospitals, and the Armed Forces with adequate provision to assure the farmers at least $10 per 100 pounds for utility grade cattle; purchasing grains and feeds from the Commodity Credit Corporation for distribution in drought-stricken areas; establishing a program of 30-year loans to assist in drilling wells in areas where the water supply is exhausted; and providing such other forms of assistance as the President may deem appropriate to combat the effects of the drought.

Now, if we are financially able to appropriate billions to assist in economic aid for the people of foreign countries, then for the sake of America, why can we not afford one of such billions for our own people who so sorely need and deserve such assistance as never before in the drough-stricken areas. The Davis amendments propose to reduce this appropriation for foreign aid by $512 million. That is a lot of money and it would go a long way toward giving aid to the farmers in the drought-stricken area as provided in my bill. Do you not believe our first obligation is to our own taxpaying American citizens?

Congress has been authorizing foreign expenditures on the recommendation of policymakers in Government who see the world through the eyes of international industrialists and financiers. Neither they nor Members of Congress would for 1 minute sponsor these elaborate overseas expenditures if their own capital were known to be the source of such funds. It is easy enough to tax the citizens and spend their money, and then exercise their legal powers to tax more to make up the deficits. It has seemingly become a fixed policy to feel that the citizen is no longer to be considered.

America has fought foreign wars for 40 years; the Congress has imposed the taxload to the limit of endurance; it has squeezed the farmer and industry until their reserves, once considered the backlog of our economic structure, are now depleted. It has issued paper I O U's to the tune of two and three-fourths billions and exchanged them for the savings of sacrificing citizens. It has cre-

ated agencies guaranteeing contingent liabilities which make the Government the possible final arbiter for another $200 billion.

It is an historic fact that individual nations will conform to an international policy only as long as it greatly serves their own local interests. The fact that many among the free-nations group are necessarily influenced by economic and political developments in their new neighbor nations means that it follows that any ties with the United States must be subject to these unpredictable influences. Judging from vacillations on the part of a number of key nations considered essential in the alinement of anti-Communist powers, we seriously doubt the stability of our association of allies if and when the real test of their determination to resist aggression becomes imminent. Without a determined will to resist aggression, without a patriotic devotion to the ideals of freedom, no amount of money or military hardware can insure the United States the total assistance needed for a united, firm stand among the free nations against aggression.

If, as it appears in many nations, today's threat of communistic infiltration is so lightly taken, no amount of money, economic aid, or American persuasion will prevent Russian influence from strengthening its hold on these people.

Just as long as America continues to promise unlimited help, just so long will these nations be content to remain supine under the possible hope that America will bail them out of their economic and military difficulties. Except as foreign aid promises specific and direct defense benefits to America, any foreign funds not so allocated should be withheld to aid our own American economy and American citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I trust that no partisanship will be brought into the discussion of this bill. The Marshall plan, which was the forerunner of the present program, was recommended by a Democratic President to the 80th Congress, which was a Republican Congress, and was approved by that Congress. So, both sides of the aisle may share the credit or the blame, whichever you may consider it, for this legislation.

Now, let us look briefly at just what this amendment proposes. It would cut the unobligated balance for military assistance by $300 million. The committee has already cut that unobligated balance by $265 million and in addition has cut the appropriation for new money in that category by $238 million, making a total cut by the committee for military assistance alone of $504 million. The gentleman from Wisconsin would cut those funds $300 million more, and in addition he stated during the general debate that he proposes to offer another amendment to cut $200 million more from the appropriation of new funds, which would mean a total additional cut of $500 million over the $500 million which has already been cut from the military program.

Mr. Chairman, I do not believe there is anybody in this House that gets much satisfaction out of the manner in which the Korean war was brought to an end. We have no agreement there today. I am certain that no one in this House is happy over the settlement in Indochina. Does anyone believe that this is an end to Communist aggression? If so, it would be a victory. But, before the ink dries on the articles of agreement we see further acts of aggression on the part of the Chinese.

There was never a time in history when the free nations of the world needed to stick together more than at the present. Our Secretary of State has said time and again that one of the chief factors of our mutual defense is the European Defense Community. He has also emphasized the fact that we must have a Pacific mutual defense pact if we are to contain communism in the Pacific. Now, at the time when the Secretary of State is negotiating for these two vital agreements with the free nations of the world, if we do anything to indicate that the Congress of the United States is going to withdraw its support it may be fatal to the acceptance of those pacts.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. GAVIN. The gentleman says that we all ought to stick together in EDC. Can the gentleman tell me why, after 4 years, the French and Italians have not ratified EDC so we may build up the national defenses of Europe? Are we to continue pouring in more billions in the hope that they will eventually ratify EDC? Has the gentleman any idea why they have not ratified that pact after 4 long years?

Mr. GARY. I will say to the gentleman that I cannot say why they have not ratified it; but I can say that the Secretary of State still has very strong hopes. He told our committee that he felt that the agreement with reference to Indochina, made at Geneva, improved the chances for the ratification of that pact. But I will say to the gentleman that any evidence of withdrawal on our part at this critical point of the negotiations will go a long way toward checking the ratification of the European Defense Community and the organization of the Pacific pact.

Mr. GAVIN. Giving millions of dollars to these programs certainly is not evidence of withdrawal.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken and; on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 64, noes 92.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 9, strike out "$27,285,000" and insert in lieu thereof "$27,825,000."

Mr. TABER. Mr. Chairman, I just want to say that that resulted from a printer transposing the figures. The figures I have just presented correspond with those in the committee report and what the committee agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

[Mr. SMITH of Mississippi addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

Southeast Asia and the western Pacific: For assistance authorized by section 121, $712 million;

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 2, line 22, after the comma, strike out "$712,000,000" and insert "$500,000,000."

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Chairman, this amendment has the same basic reason as the one which preceded it, that is, to voice my objection to the continuance of blank-check appropriations in the field of foreign assistance.

I hope that this amendment will not be used as the vehicle for discussions which go considerably beyond what I have in mind in offering it. When this matter was presented to our subcommittee, it was on the basis primarily of a program of military assistance for this part of the world. Then the day before we had our mark-up session, the truce in China came along which, of course, changed the whole concept of the kind of program which was going to have to be carried on there. The language we heard was, "Well, yes, we are not going to be able to use this amount of money for military assistance, but we are going to have a great number of refugees"—which by some magic suddenly became the responsibility of the Government of the United States to handle. And this was the money which was to be used for that purpose.

I am aware that I am talking about a very critical area of the world, but this amendment does not strike out the appropriation for it. What it does is reduce the figure of $712 million which was the amount that was justified to the subcommittee for the purposes primarily of military assistance and it reduces that to $500 million, which is certainly more than they can use if they spend it at the same rate that they said they were going to spend it. It is certainly more than they can use until sometime next spring when they will have a better opportunity in the executive department to reevaluate and develop a new program in keeping with the changed conditions of this part of the world and give the Congress a chance to be better informed upon it.

I might call your attention to the fact that last year out of some $745 million,

which was made available for this part of the world, less than $100 million of that amount had actually been expended during the fiscal year 1954. I simply do not like the rationale which says that they will not use it for the purposes that they justified it, but they will probably need it for something else so we should give them the same amount of money. Certainly, if it happened in any other subcommittee that they came in and justified a number of million dollars for airbases in Spain and then the day before we got ready to present it to the House of Representatives, as our recommendation, if they came in and said, "Oh, no, we cannot use it for airbases in Spain, but we think we are going to have to build some barracks in Ethiopia." I think you would be highly critical of such a subcommittee, if we brought in a recommendation for the same amount of money and asked you to follow our recommendations to use that same amount of money which was justified for airbases in Spain for some nebulous program of building barracks in Ethiopia. I think it is just too much of a coincidence that they are going to need the same amount of money—exactly the same number of dollars for a program for refugees or whatever else it might be for in this part of the world as they told us they were going to need for a military assistance program. I think it is the responsibility of the Committee on Appropriations and it is the responsibility of the House of Representatives to consider a revised program, when such a revised program has been made up and has been presented to the Committee on Appropriations.

This amendment does not affect the authorization. The authorization is there. We will not have to go through that again when the next Congress convenes, but it does affect the amount of money involved and it would require the FOA to come back in January before the Committee on Appropriations and say, "This is what happened since the truce came in Indochina. This is how we have obligated the $500 million which was provided. This is why we need the $212 million that you did not give us last July." I think it is reasonable to expect them to do that, and I submit that this reduction will not cripple the program in any part of the world, but it will give recognition to the responsibility of this Congress to know for what we are appropriating the money for and why.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. BUSBEY. I wish to compliment the gentleman from Wisconsin for offering this amendment, and also to commend him on his presentation of the arguments in its behalf in such a clear, concise, and logical manner that I think the committee should accept his amendment.

Mr. DAVIS of Wisconsin. I thank the gentleman.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. HAND. May I also call to the gentleman's attention that the record of the hearings on page 160 show the following:

Mr. TABER. So that you have available $783 million, or just a little over twice what you delivered this year, indicating that you have 2 years of funding on this item.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. DONDERO. How do we know that even $500 million is the exact amount that they can use?

Mr. DAVIS of Wisconsin. They certainly do not, but I offered the comparatively small amount of reduction in the hope of increasing the chances of the adoption of the amendment.

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. CLARDY. Is it not a fact that France is now relieved of the burden of carrying on the war in that area, so that she should be able to take care of the refugee problem?

Mr. DAVIS of Wisconsin. I hope she will do a better job of building up than she did in taking care of that which existed before the truce.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. TABER. Mr. Chairman, I wonder if we cannot get an agreement to close debate on this amendment. I am going to suggest that after the gentleman's 5 minutes there would be 1 speech of 5 minutes for the amendment and 1 speech of 5 minutes against, the last one being reserved for the committee.

Mr. HAND. I would like to have a little time.

Mr. TABER. I will amend the request to make it 2 speeches for and 2 speeches against. I think that is much more satisfactory to have 5 minutes for each speech than to try to cut it down. I ask unanimous consent that the debate on this amendment be limited to 2 speeches for and 2 speeches against, the last 5 minutes being reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I regret to find myself in disagreement with my good friend and very able colleague, the gentleman from Wisconsin [Mr. DAVIS].

I believe, however, it would be a great mistake to adopt this amendment.

This amendment also seeks to reduce the funds in the general field of military assistance, and to reduce those funds to the extent of $212 million.

The original request for this fund was in the amount of $800 million. That figure has already been reduced by the Senate Committee on Foreign Relations to $712 million. This amendment would make a further reduction to the point of $500 million.

Mr. Chairman, it was not so very long ago that a meeting was held at the Office of the Secretary of State. The leadership on both sides of the aisle were there. There were representatives from both sides of the aisle, from the Foreign Affairs Committee, from the Armed Services Committee, I think, and from the Appropriations Committee.

At that meeting there was explained the vital importance of having a large flexible fund available for utilization throughout southeast Asia and the western Pacific and the approval of those present was asked.

After discussion there was unanimous agreement by all present that this was the right thing to do, and that such a fund should be made available to the President for use in conducting the cold war.

The fund is, in effect, an emergency fund which is appropriated, if you will note the language in the bill, directly to the President of the United States, to be spent by him under such rules and regulations as he sees fit.

Mr. Chairman, it is humanly impossible to foresee what may happen tomorrow or next week or next month in this great area extending all the way from Burma to Japan.

The mere fact that fighting has ceased for the moment in Indochina does not necessarily mean that the overall situation is less dangerous.

It may mean just the reverse and that the picture as a whole is more dangerous rather than less dangerous.

This is an example in my judgment, of a situation where it is imperative that we give our leaders in this cold war the weapons they require and trust them to use those weapons wisely and economically.

I hope the pending amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, I rise in support of the Davis amendment. As he has pointed out, this is a little bit too much of a coincidence to swallow that the same amount of money almost to the dollar is needed now that the cease fire has been arranged in Indochina as was needed when the war was going on.

So let us look at the record for a moment, and I regret to say there is not too much of a record to look at in this instance. I refer to page 6 of the record of these hearings. I understand that a great deal of testimony has to be off the record in this sort of thing, but not too much in reference to this area where everybody knows what we are doing. There appears this colloquy on the part of Mr. Stassen and the committee:

Now, you will note that the next item is the $800 million for southeast Asia and western Pacific. That is the fund which has broadened out from the Indochina war and is presented in the authorized legislation with rather broad flexibility because of the obvious impossibility for the President or anyone else to see what we face during this next year in southeast Asia.

So, we are asking for $800 million, which was approved in the authorization stage for that whole area of the world on a very broad program.

Mr. WIGGLESWORTH. Off the record.

(Discussion off the record.)

Mr. ANDERSEN. Off the record.

(Discussion off the record.)

Mr. FORD. Off the record.

(Discussion off the record.)

That is not very much of a record to permit the Committee of the Whole to judge what we are doing in connection with this particular program.

Let me call your attention also to the hearings beginning on page 76 where there was talk about the amount of money required for this program. The gentleman from Wisconsin [Mr. DAVIS] correctly said that they spent less than $100 million last year.

Mr. WIGGLESWORTH. Our investigators report that when they examined the record in late April 1954 the FAO had only spent $53 million in the first 4 months of 1954 and that the best estimate at that time was that FAO would spend only $200 million by June 30. How did you obligate the other $545 million between April and June?

Mr. MURPHY. Well, sir, the obligations were not incurred between April and June. Let me start out by saying what we know of the actual expenditure situation on June 30. The total reported to us by a cable from Paris was $96 million that was spent of the $745 million. The $745 million was obligated because in September of 1953 the United States Government came to an agreement with the French Government to the effect that if the French Government would mount a total military effort in Indochina estimated to cost in the neighborhood of the equivalent of $1.5 billion, the United States would support that effort to the tune of $785 million.

I ask whether the French mounted a total military effort in Indochina?

Let me further call your attention to page 133 of the RECORD where the following occurs:

The Indochina program includes a direct-forces support program of $800 million.

Mr. CANNON. Off the record.

(Discussion off the record.)

Mr. FORD. Off the record.

(Discussion off the record.)

Mr. DRUMRIGHT. As I was saying, the Indochina program includes a direct-forces support program of $800 million, which we are requesting not only for the purpose of permitting the continued prosecution of the war in Indochina, and supporting the Associated States forces engaged against the Communists, but it would also be used on a flexible basis—

And so forth. Now, that is just too much to swallow, that they need the same amount of money after a cease-fire in Indochina for the care of refugees or for six other purposes as they did when the war was hot.

I want to ask you about this whole program. After some 8 or 10 years of this, and some $45 billion or $50 billion spent on foreign aid, are we nearer to peace now than we were then?

Ask yourselves this, my friends, before you vote for more of the same.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. The administration of the FOA reported that there were no unobligated balances left in this particular quarter and therefore there could be no carryover.

Mr. JUDD. That is my understanding. And, of all the places, this is the least suitable to make the cut.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that I may yield the gentleman my time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. JAVITS. I would like to point out to the House something which is very important. The amount of money provided here is for military effort, military effort in the region of Indochina, and I ask the Members this: The gentleman from Minnesota [Mr. JUDD] will explain that in great detail. I ask the Members, did we ever need military effort in any area of the world more than we need it in the area of Indochina? I think the answer is self-evident.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Does this constitute part of the request of 2 speaking for the amendment and 2 in opposition to the amendment?

The CHAIRMAN. I did not gather that the gentleman who was speaking spoke for or against.

Mr. GROSS. As to the gentleman who just yielded his time, is that in opposition?

The CHAIRMAN. The gentleman did not have any time.

Mr. ROONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROONEY. Well, just how does this come about? I am one of those who was designated to speak against the amendment, and we have already had the gentleman from Massachusetts [Mr. WIGGLESWORTH] speaking against the amendment.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] has 5 minutes to close debate. That is the division of time.

Mr. DAVIS of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Wisconsin. I would assume that under the unanimous-consent request that was just agreed to that the gentleman from Minnesota is going to have to speak 5 minutes for the amendment and 5 minutes against it, if the request is going to be adhered to.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. My parliamentary inquiry, Mr. Chairman, is whether or not the unanimous-consent request submitted by the gentleman from New York [Mr. TABER] that two speak on each side would be exclusive of the 5 minutes tht the gentleman from Massachusetts [Mr. WIGGLESWORTH] had; and if that is so, you are going along in order.

Mr. GROSS. No. No.

Mr. TABER. The gentleman is correct, except somebody is entitled to recognition after the gentleman from Minnesota is through to speak in favor of it ahead of the gentleman from New York [Mr. ROONEY].

Mr. DAVIS of Wisconsin. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Wisconsin. Certainly, under the previous unanimous-consent request of the gentleman from New York, the unanimous-consent request by the other gentleman from New York [Mr. JAVITS] that the gentleman from Minnesota have an additional 5 minutes would not be in order; is that correct?

Mr. TABER. That is correct.

Mr. JAVITS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JAVITS. As I see the difficulty, some Members were on their feet who were opposed to the amendment when the gentleman from New Jersey [Mr. HAND] was recognized. Therefore, I yield back my time.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Can the gentleman yield back his time? He yielded it to the gentleman from Minnesota.

Mr. JUDD. The gentleman did not have any time to yield.

The CHAIRMAN. The gentleman yielded back his time.

Mr. GROSS. Can he yield back his time without asking unanimous consent?

The CHAIRMAN. Without objection, he can yield it back; and the Chair can allocate it.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. I ask unanimous consent that this entire hassle here not be taken out of the gentleman's time.

The CHAIRMAN. It is not being taken out of the gentleman's time. It is just a vocal exercise.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Did the gentleman from New York [Mr. JAVITS] ask unanimous consent to yield back his time?

The CHAIRMAN. Without objection, he could yield back.

Mr. GROSS. Well, I object.

The CHAIRMAN. Objection is heard.

Mr. DORN of South Carolina. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DORN of South Carolina. Many Members in this part of the House would like to know what time the gentleman from New York [Mr. JAVITS] had to yield back and how he came by the time.

The CHAIRMAN. There was a misunderstanding. The gentleman from Massachusetts [Mr. MCCORMACK] has correctly stated the situation.

The gentleman from Minnesota [Mr. JUDD] is recognized.

Mr. JUDD. Mr. Chairman, most wars, whether hot wars or cold wars, tend to go along for a considerable period without, apparently, much change. Then all of a sudden, it becomes obvious that little by little one side has been gaining and the other has been losing. Hitler looked mighty good up to just a few months before Nazi Germany collapsed. Japan in the spring of 1945 still looked as if she had a lot of strength. But really she had already been gravely weakened. The long process of attrition due to naval blockade and air attacks had been taking its toll.

Likewise, the war we are now in all around the world—a cold war in most places, and a shooting war in a few—has perhaps seemed just a seesaw affair, a sort of indecisive maneuvering without, seemingly, much change. But it must be clear to all today that the Soviet bloc in the world has in fact been gradually edging ahead and the free world has been falling behind. One side is gaining the ascendancy; the other is beginning to weaken and splinter. That is the moment of peril.

We must admit that the free world is now approaching that moment. Unless it resolutely pulls itself together and reverses that trend, then one day soon the whole thing will begin to fall apart.

It takes a long time to get the first hole through the dike; but once that hole is punched through, very quickly it becomes large enough for a whole torrent. That is precisely the situation the free world faces today. It cannot lose much more ground without beginning to disintegrate. The place where we have been and are losing alarmingly is in Asia.

For what purpose was money given to Indochina last year and the year before? Not because of special partiality or concern for the people or the territory of Indochina. It was to try to save the whole area, one of the most crucial in the world—all of southeast Asia and the Western Pacific. The fact that Indochina, a portion of it, has been lost, only increases the need for our assistance to the rest of the area, in order to prevent any further losses.

Are we to take the very moment when the area is shocked and weakened to reduce our aid and thereby announce to all that the Communist victory is even greater than it is? If anything, this is the moment for more aid, rather than less. At the least, it is a time to hold steady and give confidence to the peoples still free.

Look at the situation that we face in that part of the world.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. I should like to say that, in my opinion, the situation in southern Asia is one of the most critical in the whole world. While we have had some reverses there, I think the situation is such as to indicate that we should by all means do everything possible to maintain the right cause in that area. In other words, if all of southern Asia goes, whether we can hold the Philippines, Formosa, and Japan would be a serious question. As the President said, instead of the Pacific being a friendly lake, it might become a Communist lake.

I should like to say this one thing further. There is no question in my mind but that if this money cannot be properly used there in the best interests of this country, the President of the United States will see to it that it is not used. However, because it is a danger spot and because the situation there is so critical, I sincerely hope that this amendment will not be reduced to the end that our interests there may be protected.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York [Mr. ROONEY] to close the debate.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. ROONEY. Mr. Chairman, this is the most dangerous and ill-advised amendment that will be offered to this bill all day today. So that there can be no question about the purpose of this requested appropriation, originally asked in the amount of $800 million, I shall read to you this language of the Defense Department and FOA from the justifications:

> The purpose of this program is a military purpose—the support of military forces.

Some few moments ago the distinguished gentleman from New Jersey [Mr. HAND] quoted from the hearings and referred to many indications in the record of off-the-record discussions.

Let me say that this procedure is necessary with regard to an important defense bill such as this. I should point out that the index of witnesses in these printed hearings does not disclose the names of the Secretary of State, Mr. Dulles, and General Gruenther. These gentlemen testified at substantial length before the committee. General Gruenther spent an entire, long afternoon off the record with regard to the urgency of this bill. The Secretary of State, Mr. Dulles, was before us on two occasions, both times off the record.

Following the truce agreement last week in Geneva, the very next day thereafter, and during the course of the time that this bill was being marked up by the subcommittee, the Secretary of State and Mr. Stassen were sent for. The question was whether or not any of the money in this item as well as in other items could be saved as the result of that ceasefire. The answer decidedly was "No." This very proposed amendment was offered on Saturday last in the full committee, as was the amendment previously defeated also offered by the gentleman from Wisconsin [Mr. DAVIS]. I trust that today this proposed slash amendment will again be defeated, because of its danger in a situation where our very existence is threatened more than at any time since the march of communism following World War II.

We have in the Pacific a defense perimeter which extends from the Aleutians in Alaska down across Okinawa, the Philippines, and so on, down all the way to Australia and New Zealand. Included in that perimeter is the one place that the vicious rulers in the Kremlin might get through and destroy our defense support, through Indonesia, if they were ever to take over the territory which still remains in Vietnam, and Laos and Cambodia.

As the Secretary of State pointed out, it is of the utmost importance now that we have lost the upper part of Vietnam that a bastion must be built to preserve the rest of Vietnam, Laos, and Cambodia, so that there will be no further spread into Burma and other countries in Asia. In building this bastion it becomes necessary to transport at least 500,000 people who might be executed by the Communists, and I have heard the figure mentioned as almost 1 million. We have millions upon millions of dollars' worth of military equipment and supplies in the area being abandoned by the French which we must retrieve. Do we not have sufficient confidence in the President in the White House to entrust him with the amount of $212 million at a time such as this? I am sure that we do, as we must. This appropriation is one directly made to and entrusted with the President of the United States.

This is not a partisan matter. I sometimes refer to partisan politics, as you know. But really and sincerely this today is not a partisan matter. It is far too dangerous to the defense of our country and our defense against communism to turn President Eisenhower down for the sake of $212 million of a $712 million appropriation recommended by the committee, already cut against my advice by $88 million.

I trust the amendment offered by the gentleman from Wisconsin [Mr. DAVIS] will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin), there were—ayes 63, noes 98.

So the amendment was rejected.

The Clerk read as follows:

> Defense support, Europe: For assistance authorized by section 131 (b) (1), $70,000,000.

Mr. TABER. Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. TABER:
> On page 3, line 2, strike out "$70,000,000" and insert in lieu thereof "$45,000,000"; and
> On page 3, after line 2, insert "special assistance in joint control areas in Europe, $25,000,000."

Mr. TABER. Mr. Chairman, this divides the money up in the same way that

it was divided in the House authorization bill—and that is the objective.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GROSS. There is no reduction then in the gentleman's amendment?

Mr. TABER. No.

The CHAIRMAN. The question then is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. DIES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I believed that the expenditure of this money would stop Communist aggression, or materially contribute to that end, I would gladly support it. But I would want some competent evidence, and some assurances that are real and concrete, because I know that this money will not be paid back by me or by my generation—I know that my grandchildren and my great grandchildren will have to work and save and deny themselves to pay this money back. I know that we are the custodians and the trustees for the future generations. I do not believe that the expenditure of this money will halt communism. On the whole, it may do more harm than good. Let us be perfectly frank and realistic about this. The Communists are making just as fast progress as they want to make. They are biting off as much as they can digest at a given moment. This bill is like shooting a popgun to stop a colossus. The truth is the only way that Communist Russia can be stopped is when the free world develops a will to stop communism. That implies tremendous sacrifices. When the time comes that France and England and the United States and all of the countries of the free world are prepared to pay the price and to run the risk of halting the determined effort of the Kremlin to conquer the world, then, and only then, will we stop the Kremlin. That would mean that France, England, and all of these countries would have to say, "We are not going to permit them to advance another step and we are going to do whatever is necessary to stop them." We have ample resources and manpower. We have the know-how. We have everything if it can be welded together into a unified force dedicated to the proposition that we will not permit Russia to swallow the world. Once we convince the Kremlin that we mean business we will have far greater prospects of averting war than is now the case. The Soviet dictatorship is willing to risk war because they believe the free world is unwilling to risk war or is unable to unite behind a firm and realistic program. Until a will to stop aggression develops in the free world, whatever amount of money you appropriate is a mere gesture. You propose this measure because you cannot think of any other way to combat communism. The very countries that are the recipients of this money, our grandchildren's money, are engaged feverishly in trading with the Kremlin. The evidence is overwhelming today that the crack in the Soviet armament is their inability to produce food and fiber. No one disputes the fact that this is the Achilles Heel, that if you want to strike a telling blow at the Soviet dictatorship you must do so by refusing to trade. Why do we trade? Because we want our profits and we say that non-Communist countries cannot survive without trading with the Soviet Union. So that while we appropriate billions of dollars, the Soviet Union is engaged in building up a stockpile of necessary food and fiber acquired from the non-Communist countries, without which she cannot wage total war.

Let me say to you that for 25 years the Communists have not wavered in their determination for world conquest. World conquest is an integral part of their whole ideology. It is the heart and core of Communist faith. It is the driving force—the propeller. Without it communism would lack a mission—a zeal to inspire and motivate its disciples. It is more than a means to an end. It is the end itself of all Communist tactics and conspiracies. It was the failure of our leaders to grasp this simple fact which got us where we are today. It is the lack of full realization today which produces disunity and indecision.

You who think you can solve the problem by spending the money of future generations are simply idulging in a vain hope. How much faster could the Kremlin move? They have just absorbed 11 million people. Although you spent $2½ billion, did that stop it? Did that defer it? Is there any man today who will say that the Kremlin will not take Asia when it wants to take it? Who is to stop them? Do you think England is going to stop them, or France, or the United States? Why do you indulge the vain hope that something will happen to prevent their aggression? Why do you want to appropriate another three billion of your grandchildren's money when you have an unexpended balance of ten billion.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent (at the request of Mr. GAVIN), Mr. DIES was granted 2 additional minutes.)

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. GAVIN. I want to call to your attention while we are talking about building up military strength of Europe and the rest of the world we are cutting down on two infantry and armored divisions here at home, and if we were suddenly catapulted into an emergency we would not have the strength necessary to fight around a vast perimeter.

Mr. DIES. That is true.

Mr. GAVIN. It is about time we started to look after the interests and military strength of the United States. To cut down at this time our ground forces and divisions of infantry and armored forces, in my opinion, would be a drastic mistake.

Mr. DIES. Well, we got on this dope of spending borrowed money years ago, and we cannot get off of it. The whole truth is that we were told when the Marshall plan began that it would last a limited time, and we just cannot resist the temptation to spend the money of future generations. We are wholly and completely lacking in the fundamental requirements of thrift, of fiscal responsibility, of concern for future generations, which characterized the men and women who built America.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. SMITH of Wisconsin. In support of your statement of a moment ago, the press reports are that already the Communists have struck south of the parallel into Indochina.

Mr. DIES. Of course, they are going to strike just as soon as they can. A boa constrictor can swallow but one hog at a time. He has to be given a little opportunity to digest it. As soon as they digest Vietnam they will move against Laos and Cambodia. After they take that, they will move into new fields. You sit here like a hypnotized rabbit in a boa-constrictor's cage, hoping and praying that the Communists do not mean what they say when they say, "We are going to conquer you."

I would not spend another dollar of the earnings and savings of future generations until I sought and obtained definite assurances from our allies that they are willing to adopt and carry out realistic and effective measures. I would require a commitment that each country is prepared to subordinate false profits and security to a program calculated to halt the tide of aggression that now threatens to engulf the world. It is later than we think. Very little time is left to us to repair the tragic blunders which brought us to our present predicament. Why deceive ourselves and our constituents any longer? Russia is winning the cold war. Our billions have not stopped the Kremlin. Only by matching the Kremlin's zeal to enslave mankind with freemen's will to free mankind can we turn defeat into victory and prevent a war of annihilation.

Our greatest danger today is vacillation, indecision, and disunity among the nations of the free world. It is this weakness which the Communists are exploiting. All the money in the world cannot take the place of the will to preserve the freedom of the world.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: On page 3, line 2, after "$70,000,000", strike out the semicolon, insert a comma and the following: *"Provided,* That no part of these funds shall be used for or on behalf of Yugoslavia."

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, the reasons, briefly, for my request to exclude Yugoslavia from this appropriation are as follows:

First. Tito has never really broken with his Russian-Communist friends. As a matter of fact, keen students of the Yugoslav problem question whether the present dictator of Yugoslavia is really Josip Broz. It is quite possible that the present-day Tito is just another Russian boy trying to make good in a big way for his mentors in the Kremlin.

Second. Present day Yugoslavia under Tito will never fight on the side of the

United States in the event of a conflict with the Russian Communists. In the event of war, the Yugoslav people, under Tito, will move in 1 of 2 directions. The most likely is that they will take advantage of war to liquidate Tito and all his followers, thus causing widespread internal revolution. The second possibility is that the people of Yugoslavia, the Croats, the Serbs, the Slovenes, and the Montenegrans, will be forced to fight against the West with Russian machine guns at their back.

Third. The present day Tito under the cover of "national communism" has been able to penetrate important segments of the organized defense community of the free world which has been created to prevent further Communist aggression. The North Atlantic Treaty Organization has been publicized as the symbol of western unity against athiestic communism. Tito's Yugoslavia would not be eligible for admission into NATO because admitting Tito to NATO would immediately destroy the symbolism which has been built up. So to prevent this question from being raised, the Department of State took the initiative in creating a small entente with our gallant and proven allies, Turkey and Greece, being put in the same bed with Tito which opens a special back door for Tito into the NATO community. The false cover of national communism also permits Tito to place his agents in many strategic positions and in general permits him the opportunity to carry out an intense campaign of "neutralizing" the free world so that it will be paralyzed in the event the Russian Communists make a sneak attack on the United States.

Fourth. Tito has never proven that he is a steadfast friend of the West. Unfortunately, we have never put him to any real test to determine where he stands on the critical issue of the United States against Russian communism. In the hysteria created by some of our striped-pants negotiators, we have deserted some of our best friends and strangely have now accepted as our supposed friends, proven advocates of world socialism. I suppose it is impolite to remind the Members of Congress that Marshall Tito has just reestablished diplomatic relations with Moscow and that it is common gossip along the highways and byways of Europe that the relationship between the Russian Communists and Tito Communists has always been on a most friendly and cordial basis.

Fifth. In any case, the people of Yugoslavia under the Tito brand of communism, will never be united behind anything Tito stands for. As a good example of my point, let us look at what Tito's brand of communism has done to the traditional food-producing capacity of the people of Yugoslavia. Before World War II Yugoslavia was a surplus food area of Europe, always in a position to export millions of dollars worth of food each year. Today, under Tito, the enslaved people of Yugoslavia, the Croats, the Serbs, the Slovenes, the Montenegrins, are hungry. The United States has been required on at least two occasions to bail Tito out and to keep him in power by sending some of our surplus agricultural commodities to Yugoslavia in order to prevent open rebellion against Tito's regime.

Sixth. There is the practical possibility that the arms and other strategic material which we make available to Tito later find their way behind the Iron Curtain, where the Communist stooges of the Kremlin who are responsible for the enslavement of those once free nations, will store these arms and other important strategic materials for future aggressions against the free world. I am certain that a real investigation of this matter would reveal some startling evidence.

Mr. Chairman, from my investigation I feel it would be well if a committee of this Congress were established to investigate the situation obtaining with reference to Yugoslavia. I am firmly convinced that such investigation would substantiate in full the observations I have presented to you very briefly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Iowa.

Mr. GROSS. I agree wholeheartedly with the gentleman's amendment. The gentleman states that he favors this amendment in part because Tito has never broken with the Communists. Did the British ever break with the Chinese Communist government during the war in Korea?

Mr. FEIGHAN. Not to my knowledge. All the information available on the relationship between the British and Chinese Communists indicate that the British have never been willing to recognize the Chinese Communists as being aggressors in the Korean war. It is strange to me that the leaders of a once proud and gallant Britain now allow themselves to be put into the humiliating position of sending an envoy extraordinary to Peiping, of whom the Chinese Communists took no recognition whatsoever for well over a period of a year and a half, and on whom all the tricks of kow-tow were performed. It is both sad and shocking that the once proud British people would permit the Chinese aggressors to so desecrate the glorious history of the British people.

Mr. TABER. Mr. Chairman, I move that all debate on the pending paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I want to answer the very unfair and unjust criticism, and it has grieved me deeply, that we never want to economize; never want to save money. That charge is not true.

For 10 or more years there has been a resolution pending before the Committee on House Administration to construct over on the west side of the main part of the Capitol Building a restaurant and cafeteria for the use of our constituents, the legislative employees, and Members of Congress. If you will look out there you will see what a fine, beautiful, and convenient place it is from the ground clear on up to the roof. We should build a cafeteria and dining room there so that we will have a place to eat to take the home folks when they come to check up on us. On an average there are about 300 Members here every day who go down to the cafeteria, and sometimes we have a guest or a group. We have an average of around five or six hundred a day. They have various ways of trying to get you out. In effect it amounts to "Hurry up, do not sit here and smoke a cigarette, do not fool around with your cup of coffee." They are forced into that because there is usually a crowd in the hall waiting to be served.

And the thing is running behind, too. So why not build that dining room and cafeteria and get that kitchen out of that hole where they have it down there now. It is unsanitary; it is smelly. Why not have a place where it would serve the right kind of food, in the right way—where our folks from home can be treated as guests, not as trespassers. They do the best they can, but really it is slop. And they herd you in there like a drove of hogs. Why do we not do that and not only save a little money but make a little money? Now, if you want to do something, save money, and have a decent place, I say to my aristocratic friend from Massachusestts [Mr. McCORMACK], let us dine in style the way the folks in Boston do and can, and make a profit at it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this amendment will not save any money and it will, if it is adopted, offend the Yugoslavs. They are very important to the United States and to the defense of Europe against Communist aggression. They have 30 divisions.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that the Yugoslavs, Greeks, and Turks have recently entered into a military alliance which obviously is to defend that area of the world against the Communist threat and that this amendment would, in effect, break up that alliance?

Mr. TABER. That is right.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Is it not also true that we are at a vital point in trying to work out a solution to the Trieste problem and that the approval of this amendment might very seriously impair those negotiations, and upset what we have been trying to accomplish for many months in that area of the world?

Mr. TABER. That is correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, I want to say that I have no desire whatever to help Yugoslavia. I do, however, have a desire and a strong desire to perfect a proper defense for the world and the free nations of the world. I think that Yugoslavia is a strong and needed cog in that defense, and to take any money away or to say in this bill that no money should be used for that purpose would be a usurpation of the executive powers of the Government by the Congress of the United States. We must stick by the executive branch in this defense plan. General Gruenther appearing before our committee pointed out the importance of Yugoslavia in the European defense program, and it would be, in my judgment, a great disaster if this amendment were adopted.

Mr. TABER. We cannot be the State Department.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. JAVITS. Is it not true that Yugoslavia is the greatest defection the Kremlin has suffered? It is the biggest thing they lost, and if we adopt this amendment, we will give them right back to the Kremlin.

Mr. TABER. We want to keep them in our corner.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would like to make this observation to the gentleman from Ohio [Mr. VORYS], that he cannot point out one instance in which a Communist government made an agreement that it kept. Secondly, here we are with our face and head in the sand acting like a real ostrich, which is in every sense un-American, talking about Yugoslavia as an ally when any investigation would show very definitely that they are strictly agents of the Kremlin. I regret that the gentlemen opposing my amendment have failed to answer the questions I have raised concerning aid to Tito's Yugoslavia.

Mr. TABER. Well, I do not think that that is correct. Frankly, I believe that the Yugoslavs, since they came away from the Communists, have gone along and kept their bargain with us and with the rest of the free world, and I hope that we will not do anything that will make them feel that the Congress of the United States is going back on the idea of keeping them from coming in our direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The amendment was rejected.

The Clerk read as follows:

Development assistance, south Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, strike out "$60,500,000" and insert "$40,000,000."

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, the weak part in this bill, of course, is that having to do with the so-called defense support and development assistance items, aside from Korea, amounting to a total of $431,500,000. These items have little to do directly either with our own defense or direct forces support. The weakest part of all these items amounting to $431,500,000 is that for economic assistance to India. India is the only nation included in that item in this particular paragraph for south Asia.

We have given to India during the last 3 years a total of $185 million in economic assistance of various kinds besides a considerable amount for technical cooperation. Please keep this in mind that in the following paragraph under the item technical cooperation, general authorization, India will receive in all probability a further allocation of $15 million. I think we ought to be reasonable. I have no objection to helping them with our know-how through technical cooperation but we have embarked in an extensive program of construction and development, far beyond the original concepts of point 4 program. Certainly, no military value to us is apparent from this overgenerous allotment to India.

I wonder if it is good business to continue, not in sharing our know-how, but in this program of putting down 3,000 deep wells, each of them capable of irrigating 500 acres of land, making more difficult our problem in this country of getting rid of our surplus cotton and such. I do not object to our giving outright to them of our food surplus if they need food. But just how far can we go in working up competition to our own people?

I asked earlier today, in a question addressed to the gentleman from California [Mr. HUNTER], just how far should we go, and what responsibility do we as Members of Congress have in voting our taxpayers' money for such purposes, and what right do we have as Members of Congress to make more difficult the problem facing our own producers by being too lavish with our taxpayers' money? Here is the outstanding example of it in this particular bill. Irrigation, dams, transmission lines, railroad locomotives, and cars, to the tune of tens of millions of dollars, are being given to a nation whose friendliness is certainly open to question. Our planes carrying reinforcements to Indochina were refused passage across India. How often lately has India supported our point of view in the United Nations? Shall we lavish more millions of dollars upon a strictly neutral nation instead of helping to a greater degree those countries who are definitely on our side of the fence? Why should we give India far more consideration than we give to Pakistan and the Near East Mohammedan countries, and Israel, far better friends, all of them, than India has proved itself to be? Can we afford this liberality at a time when our Nation, just last June 30th, added another $3 billion to our already staggering debt?

I ask you to think that over. Will we not be sufficiently generous if we give them $55 million of our funds this coming year? Do you not think it would be a good idea to shave off this $20,500,000, an amount which will pay for this 1 year the salaries of all the Members of Congress and all of our employees? I leave it to your good judgment. Although I am in full agreement with the strictly military assistance and direct forces support items in this huge bill, it is hard for me to vote for the strictly economic assistance total of $431 million, above and beyond the $200 million for Korea. I was glad to help to save in committee the $812 million we cut out of the administration's request. If it were not for the extremely touchy position today in the Far East, I could not possibly justify to my people a vote for this foreign-aid bill. I do hope that a small portion of the economic aid will be stricken by the acceptance of my amendment. Helping our friends with military assistance is good business. Let us help our own people by not voting for extravagant and unwise outright economic aid to others.

Mr. BENTLEY. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Substitute amendment offered by Mr. BENTLEY to the amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, strike out "$60,500,000" and insert "$20 million."

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, I have an amendment to both amendments. I just want the gentleman to know that.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes, the last speech to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENTLEY. Mr. Chairman, as the gentleman from Minnesota has already indicated, this is the India amendment. I beg the committee not to be deceived by the words "south Asia" because every penny in this paragraph is destined for the use of India. It is not technical assistance. There is already an authorization of $19,500,000 for technical assistance to India. This is strictly what we called last year special economic assistance, which has now been given the name of development assistance, and includes items such as industry, railroad rehabilitation, electric power, steel, and finally a fertilizer plant for India.

Mr. Chairman, the reason I have offered this figure of $20 million as a substitute for the development assistance to India is a very logical one. This gives exactly that amount of money that is being requested and has been authorized for the same type of economic assistance

to Pakistan. It is not in this paragraph or in the category of development assistance. It was moved over to the category of so-called defense support, but $20 million is the amount of money that has been authorized for economic assistance to Pakistan.

There is a great deal of feeling out in that part of the world, and anybody who has been out there surely knows the rivalry, the jealousy, existing between India and Pakistan. Pakistan, as you all know, has developed into a very considerable military asset and a very splendid ally of ours. They are already, I believe, engaged in a military mutual-defense treaty with Turkey, and possibly they can draw other countries into that treaty. On the other hand, India to be extremely charitable can hardly be called anything more than a neutral, and I speak of the Korean war and everything that has taken place since then. Take an area of the world that is as ticklish as the situation is out there. Take on the one hand the ally Pakistan getting $20 million—and I may say that program has been cut by a third over the past 2 years, and then on the other hand take India, at best a neutral, getting three times as much—and that program has been increased 2½ times over the past 2 years. I ask the committee, is that any way to reward friends and gain new friends? No, I think not. If a course of neutralism is paying off so splendidly for India, why should not all the other countries in all parts of the world continue to be neutral and continue to receive benefits more than a country like Pakistan, a valuable military ally of ours, who gets exactly one-third of the help that we plan to give to India? That is why I say equalize it and for goodness' sake do not play any favorites in as ticklish a part of the world as the Near East.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. HAND. Can the gentleman recall a single instance in which India has supported the foreign policy, or any other policy of the United States since we have been extending this aid to her?

Mr. BENTLEY. I think the only time that Indian troops ever fired a shot in Korea was when she was shooting down some Chinese Communist POW's who were trying to escape from a prison camp.

Mr. HAND. The gentleman will recall that India refused permission for our airplanes to fly over her territory.

Mr. BENTLEY. I remember too well.

Mr. SMITH of Wisconsin. As a matter of fact, the aid for India is economic aid and not military aid, is that correct?

Mr. BENTLEY. It is all economic aid. The $20 million is also economic aid for Pakistan.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct when he makes a statement that our very best possible ally in the future in that region will be Pakistan—along with Turkey, of course, further to the west.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, for 12 years I have been listening to the arguments of the proponents of foreign aid. The arguments have always been the same. The characters have shifted. I came here in 1943 when they were telling us that we had to give more lend lease to Russia. We lend-leased them to the tune of $13 billion. Today, we are here going bankrupt trying to stop them because of the aid that we gave them. I remember in 1944 these same proponents of foreign aid said, "Now, we have to help Red China. The Red Chinese are not really Communists. They are nothing but agrarian reformers. The are really our friends." I remember when the UNRRA bill was passed. There was a provision in the UNRRA bill that we had to give half of it to the Reds in China and the other half to the Nationalists. If it were not for the aid that we gave to Red Chinese, who were supposed to be only agrarian reformers, today we would not have the Red Chinese on our hands and we would not be bankrupting our country trying to stop them.

In 1944, they said, "Now we have to help our friend, Ho Chi Minh, who is really our friend. He is a Communist but he has no connection with the Kremlin." So we gave him a half billion dollars worth of material with which to start a war in Indochina, where we just got our feet set back, and where we are taking a terrific shellacking. Now these same proponents of foreign aid say that we have to help Tito because Tito is not really a Communist—he has divorced himself from the Communists. It is the same kind of argument. They said that about Mao in China. They said he was not a Communist, but that he was our friend. They said that about Ho Chi Minh and now they are saying it about Tito. The very people who say that Tito is our friend, forget that just a few months ago those 30 so-called divisions that we are financing were at the border of Trieste ready to shoot. That was less than a few months ago, when we were trying to settle the Trieste question.

What I want to know is this. You people who are voting for this sort of thing and who are giving these arguments for helping Tito—what are you going to say and what are you going to do when very shortly those 30 divisions and those guns that we are giving him are going to be turned on us and not on the Communists Tito is nothing but a plant from the Kremlin whose heart is in the Kremlin and whose hand is in the pocket of the Treasury of the United States of America. He is nothing but a plant by the Communists and by the Kremlin to get all that he can out of the United States of America. Mark my word, I would like to have any member of the Committee on Foreign Affairs or any member of the Committee on Appropriations tell me an answer to this question—in view of the large number of planes that we have given to Tito, do they know that Tito dare not send a single one of those planes on maneuvers over any allied country of a Western Power? The only place that he can send his planes for maneuvers is over Kremlin controlled territory.

The reason why he cannot send them over western territory is because if a Yugoslav in a plane ever came over western territory he would come down and land and ask for asylum because he cannot stomach the Communist Government in Yugoslavia. Yet proponents of foreign aid say we have to help Tito because he is our friend. That is what they said about Mao in China. That is what they said about Ho Chi Minh in Indochina. That is what they said about Stalin when we were giving him lend-lease. Yes the worn-out record is the same. Only the main characters change. Those of you who are appropriating money for Tito will soon be appropriating money to stop him, just as you are now appropriating money to stop the Kremlin and stop Ho Chi Minh and stop Mao of Red China. The worn-out record keeps repeating and repeating and repeating—it makes no sense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. H. CARL ANDERSEN: Page 3, line 19, strike out $40,000,000" and insert "$85,000,000."

Mr. JAVITS. Mr. Chairman, I have offered an amendment which is the President's policy and the President's request of the Congress, and also the figure which this House set after a hotly contested debate upon this very issue when MSA was here a few short weeks ago.

We heard exactly the same arguments, and the House, by an overwhelming vote, sustained the Committee on Foreign Affairs in establishing this figure of $85 million for special economic development in south Asia. I think the figure must be put before us.

One can admit anything that India is neutralist and still in no way negate the reason for our being there with this special economic-development program.

India is now the greatest prize in Asia. So long as India remains—not on our side—but so long as India remains in the role of the free world, just so long will the Communists not possess Asia and the great balance of population remains as it does now strongly on the side of the free world.

The fundamental point about this economic aid which we are making is this: $85 million is not a great amount of money when you compare it to the fact that India itself is spending roughly $4 billion on its 5-year economic program, the very program in which we are helping modestly. We have technicians in India who are building free world strength there all the time. We thus keep close relations with the people of India despite neutralism. Before we go overboard about Nehru seeing Chou remember that he also clapped the Communists into jail in India. I say to you it is well worth the modest sum which we contemplate spending on special economic aid. There are 363 million people there, and we are asking to keep our close ties with them.

We cannot insult the program by putting Pakistan with India on the same

monetary level. It is a question of need and program.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. ROONEY. I was just now out of the Chamber for a few moments and I am not familiar with everything the gentleman has said. The gentleman from New York should accentuate the fact that the budget request submitted by the President was in the amount of $85 million, and the pending amendment would reduce that down to $20 million.

Mr. JAVITS. One other point. The bill which was brought in here by the Committee on Foreign Affairs provides that half this money is to be on loan. No speaker has said that. Half of it is to be on loan; according to the House bill the balance is to be a grant. So when you talk about $85 million you are talking about $42½ million which is likely to be on loan and $42½ million which is likely to be a grant.

We cannot be shortsighted. The prize is absolutely enormous. It represents freedom in Asia. We should not care whether India likes us or not in the ordinary sense. We certainly care about winning the allegiance of the people of India to freedom and in order to do that we have to give them a demonstration of what freedom can do. The only demonstration we can give them is to show that freedom can give better and higher standards of living, which is what this money is for.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HUNTER].

(Mr. HUNTER asked and was given permission to revise and extend his remarks.)

Mr. HUNTER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota.

Mr. Chairman, earlier I spoke in favor of the technical-assistance program. Personally, I think that economic aid, generally, should be limited to the provision of demonstration materials in connection with that program. The amendment offered would still leave $40 million for economic aid to India.

To appraise the economic aid and technical-assistance program is to ask why it is carried on and thence to determine whether the answer to that question coincides with what has occurred. We are embarked on this program because we believe it to be our humanitarian and Christian duty to help our less fortunate fellow human beings to a better way of life. As a consequence of building up the economies of their countries and raising their standard of living, we hope that they will become our customers and friends. We further hope that they will repudiate communism and support democracy. Without question, the program has helped many people; it has helped to increase their standard of living by increasing their productivity, which, in turn, has provided them with the means of buying from us.

Has the program, however, won us the friends we expected, and has it been successful in combating communism? The record in this regard is not good. Ironically, the years since point 4 was inaugurated have been years of unprecedented tension among those nations who contributed most and those that have benefited most.

In the 3-year period which ended June 30th of this year, the United States spent or obligated close to $200 million for economic aid and technical assistance to India. Notwithstanding this demonstration of generosity and friendship on our part, India has remained neutral in the conflict between the Communist countries and the free world. At best, India can be classified as no more than non-Communist. And, despite the friendly attitude of many officials at the lower level of government who are working with American technicians to increase India's agricultural production, our political relations with India at the top level of government have worsened in the last 3 years. That is the opinion of Foreign Service officers stationed in India, with whom I discussed this situation.

The lesson to be learned from our experience in India is that economic aid and technical assistance do not necessarily influence or make friends of politicians and that politicians, for better or for worse, determine the course of a country's affairs.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not a fact if my amendment is agreed to India will receive from the taxpayers of the United States help to the extent of $55 million, taking into consideration the $15 million allocated in the next paragraph under technical cooperation?

Mr. HUNTER. That is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, the sensible course is to oppose all three of these amendments. I think the cut of some $23 million which the committee has made in aid to India can be justified, not as against that particular country, but because it is a part of the general cuts that the bill makes all along the line. For instance, the bill also carries a cut of $30 million in aid to Korea. I am sure nobody can take offense at or misunderstand a cut in our aid to India when a country like Korea to which we are known to be so loyal and devoted and which we intend to back to the limit, has also sustained a reduction of $30 million below the authorization.

But let us look for a moment at India. Why should we be giving any aid for India, it is asked, when India is neutral and does not come out wholeheartedly on our side? First, I might suggest that our own country, when it first came into being, also insisted on being neutral. Great powers were contesting elsewhere, but we kept neutral. We needed time to get on our feet and our internal problems solved before getting involved in outside conflicts. India is trying to do the same thing. I do not think she will be able to succeed in her neutralism, because the outside struggle today is a world struggle, but it takes time to learn that.

Here is the overall situation: One-third of the people in the world are controlled by the Kremlin. One-third are in the free world. The two are locked in mortal struggle. Who controls the balance of power? The other third of the people in the world. Where do they live? They live in 14 countries which lie around China like a giant crescent of peninsulas and islands. To change the figure, China is the palm of a hand, and projecting out from it are these 14 fingers; Korea, Japan, Formosa, the Philippines, the key positions in the entire western Pacific. Then there are six in southeast Asia: Vietnam, Cambodia, Laos, Thailand, the Malay Federation, and Indonesia. Then four more to their west: Burma, India, Pakistan, and Afghanistan. All these border on or project out from China. That is why, as the Communists said right after V–J Day, "The war in China is the key to all problems on the international front." If the Communists are able to consolidate their position in China, the hand, then they can move out into this finger, Korea. If they fail to get it, they can pull back their main strength, while keeping us tied down there, and shift pressure to another finger, Indochina. If that fails, they can move to another—can run us ragged if we try to backstop each one. So it is urgent that we try to build up as many of them as possible to the point where they can defend themselves.

The largest of the fingers is India. It has a strategic location and great resources. For the moment it is protected from China by the Himalaya Mountains on the north. Nature is responsible for that. But suppose southeast Asia succumbs to Communist subversion or invasion and India is penetrated from the Burmese flank. Suppose India is not strong enough to prevent being taken over by the Kremlin. Then the latter would have submarine bases on the Indian Ocean. Australia and New Zealand would be cut off from Europe, and Africa would be wide open. There is not a single defense on its whole east coast.

Surely it is obvious why India is so important—if we consider only her size, her population, her location. Surely it is important that she have the capacity to defend herself. Even to stay neutral is of direct benefit to the free world.

I do not blame her leaders for trying to be neutral even though I doubt it will prove a wise policy. But surely it is not wise on our part either to take action which would tell her she might as well go over to the other side.

The other day I said that Mr. Nehru is like anyone else who has fought for 40 years against an enemy—in his case, western control. Naturally that is his first obsession. First of all he is against European imperialism because he has been under that.

Second, he hopes desperately that communism, which he has not been under, will turn out to be better. Well, we thought that too for years. If it

took us 30 years or so to wake up, we have got to give him a few more weeks or months. We cannot demand that he discover the truth at the exact moment we do. My guess is that Communist advances in Indochina and renewed subversive activity in Burma are already proving a little disturbing.

After all, the first major figure in the world to wake up to the true nature of world communism was Generalissimo Chiang Kai-shek. He broke with it in 1927 and has fought it ever since, much of the time singlehandedly, while we were playing footsy with it. He spent more than 20 years telling us but we would not listen to him any more than Nehru listens to us. That is no reason to blow our tops and act shortsightedly here today.

Besides, the Indians see the Communists winning. How can we expect them to stand up against Red encroachments or blandishments unless we, too, are strong and firm and help them become stronger?

Finally, our own conduct in the postwar years vis-a-vis the Communists in China was hardly the sort to inspire confidence. As one Indian leader said, "It is too dangerous to be an ally of the United States. Look at China."

So, Mr. Chairman, this aid is not an attempt to buy friendship or gratitude. It is an attempt to give India the capacity to keep out of the control of the Kremlin. That is enough to more than justify the full appropriation. I hope the amendments will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachussetts.

Mr. WIGGLESWORTH. As I understand it, if all three amendments are voted down, the committee recommendation would mean a reduction in the original request from $85 million to $60.5 million.

Mr. TABER. That is correct, and that is what the committee thought was the right thing to do after we had been over it very carefully.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. It should also be pointed out that the amount recommended by the committee of $60.5 million is precisely the amount that the program for this particular area included in the bill for last year.

Mr. TABER. That is correct.

Mr. FORD. The committee felt that this was a fair compromise between the widely divergent points of view in reference to this particular program.

Mr. TABER. That is correct. That is why we felt that this was the right thing to do this year. We did not feel that we should increase last year's sum. We did not feel that we should cut it more than the current year's operations; that is, what the operations ran to in the fiscal year 1954.

India represents quite an important situation. Mr. Nehru talks loud, and a good many times he offends a great many people. On the other hand, in his own country he has shown that he is against the Commies and he does not hesitate to lock them up. He handles them better than we do.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GARY. I should like to say to the gentleman that I am in complete accord with the views of the chairman and the committee on this amendment.

Mr. TABER. I thank the gentleman. there is another point that I believe should be called to the attention of the committee. The Indians have very close racial ties with all of that part of the world in southeast Asia; Burma, Thailand, Cambodia, and Laos. In the days to come it is going to be very desirable for us to have them on our side, as far as we can get them. We have the opportunity now because of the situation that obtains in Burma, Thailand, Cambodia, and that group of other states in that part of the world.

I hope the amendments will all be rejected and that the committee amount which I believe is fair, everything considered, will be sustained, and I hope the House will sustain the committee's action all the way through.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 14, noes 86.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the substitute amendment offered by the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent that my amendment be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Substitute amendment offered by Mr. BENTLEY for the amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, after "section 201 (a) (2)" strike out "$60,500,000" and insert "$20 million."

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Michigan [Mr. BENTLEY] to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 62, noes 94.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 71, noes 100.

So the amendment was rejected.

The Clerk read as follows:

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,075,000.

(Mrs SULLIVAN asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. SULLIVAN. Mr. Chairman, the House and Senate recently passed a resolution expressing our congratulations to former President Herbert Hoover on the occasion next month of his 80th birthday. I was more than glad to join in that tribute, for I feel he has always tried to serve his country to the best of his ability.

I am sorry we did not pass a similar resolution last May on the occasion of former President Harry Truman's 70th birthday. Such a gesture would have provided, I believe, a more bipartisan flavor to the idea of tributes to former Presidents on the occasion of important milestones in life.

While I am sure Mr. Truman would have deeply appreciated a resolution of that nature, I sincerely believe, Mr. Chairman, that he would derive even greater satisfaction if the House were to restore the technical cooperation program in this mutual security appropriation bill to the kind of vigorous program he had in mind when he first broached the idea of point 4 at the time of his inauguration 6 years ago.

The cut of $12 million in the amount recommended in the bill for point 4 represents, in effect, the cost of building about 12 miles of highway. New highways are great things and we are all for them. President Eisenhower suggests a $50 billion highway program over the next 10 years.

I am sure we will find the money to do that, too. I am not in any sense arguing against highways. But I do think we can afford at this time the cost of 12 miles of highway in order to restore the full budget amount for point 4 and show the hungry and despairing people of backward areas that we are sincerely interested in helping to improve their living standards.

POINT 4 IN LATIN AMERICA

The program for point 4 in Latin America has not been reduced in this bill, and for that I want to congratulate the Appropriations Committee. The program operates as part of the work of the Organization of the American States, and apparently works exceedingly well.

The Members know, Mr. Chairman, that I have been extremely critical about the price of coffee to the American consumer. Some of the things I have said in this respect—particularly my protests over Brazil's action in setting a minimum export price at the highest level green coffee ever reached in a time of anticipated shortage—have been interpreted in some quarters as being anti-Latin America. I want to correct any such mistaken impression.

I believe the American consumer has been mercilessly gouged on coffee prices. But I know that the money is not going to the Brazilian plantation worker. I understand the coffee farmer not only has no control over the price he receives—as our farmers here have no control over food prices—but that his return is not large for a lot of hard work. Exactly who did profit most from the spec-

tacular increase in coffee beans from 58 cents to 87 cents a pound in a few months' time is something of a mystery apparently.

We want to see lower and more realistic prices to the American consumer for the coffee she buys at the grocery store, and we also want to see a fair return to the coffeegrower and his workers. Those two objectives do not by any means have to be antagonistic.

Some months ago, Claud L. Horn, of the United States Department of Agriculture's Foreign Agricultural Service, was quoted in the New York Times as declaring that coffee production is still in the horse-and-buggy era.

If the United States farmer—

He declared—

were to produce corn and wheat by methods as old as those in use by the world's coffee farmer, he would have to go back before the days of hybrid corn, back even before the days of Cyrus McCormick and the reaper.

For the amazing fact is this, that in a day that prides itself on improved production of food, fiber, and other agricultural goods, coffee production is still going on in the same old way without any significant increase in productivity per man-hour or per acre—the two measures of progress with any crop.

He said that the efforts toward scientific improvement of production which have been undertaken are "entirely unrealistic in the relation to the development job that is required," adding that the effort devoted to coffee improvement in the Americas is, as he put it, "almost negligible."

What scientific work has been done, he added, has not found its way to the growers.

To me, Mr. Chairman, that seems to indicate a tremendously worthwhile avenue for point 4 work—not just as a means of stabilizing coffee prices at a much more reasonable and realistic level for the American consumer but for assuring some prosperity for the people who produce this important product.

ENTIRE POINT 4 PROGRAM SHOULD BE EXPANDED

And what we might accomplish in Latin America, especially with the lessons of Guatemala before us, we should attempt elsewhere in the world too, Mr. Chairman, to remove the conditions in many nations which breed communism. Give people a chance. Help them to learn how to earn a decent living and live like human beings. Show them the hand of friendship, and not just the promise of some guns to defend themselves against external enemies. So often, the danger comes not from outside but from within—from elements of the native population rather than from aliens—from people who have nothing and thus feel they have nothing to lose from any change in political direction.

I meant it sincerely, Mr. Chairman, when I urged that we adopt an expanded point 4 program partly as a means of correcting our neglect in failing to adopt the kind of resolution for Mr. Truman's 70th birthday last May that we have just adopted recently for Mr. Hoover's forthcoming 80th birthday. Harry Truman has much in his record as President to look upon with deep pride, but I believe nothing pleases him so much as the success of the Marshall plan and point 4.

I had the pleasure in October 1953, to attend the dinner in Kansas City at which he was presented with an award by the Sidney Hillman Foundation for meritorious public service. In his acceptance talk, he had this to say:

In international affairs, we must not talk about providing just enough economic and military cooperation to prevent other free peoples from backing away from us entirely. We must develop the kinds and amounts of international cooperation which will cement the free peoples of the world in an unbreakable union of growing economic and military strength.

Mr. Chairman, an appropriation bill which sharply reduces the funds available for point 4, and which eliminates completely any funds for American participation in the companion United Nations program for technical assistance which also had its origin in the Truman inaugural speech, is, I believe, a repudiation of one of the most humane, intelligent, and enlightened ideas any American President has ever proposed as a means to establishing a peaceful world in which a free America can survice. I would hate to see us take such a backward step.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 3, line 24, after "$100,000,000", insert "of which not less than $4,100,000 shall be made available to the Food and Agricultural Organization of the United Nations for carrying out multilateral technical cooperation programs authorized by section 306."

Mr. VORYS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill and is not authorized by law.

The CHAIRMAN. Does the gentleman from California [Mr. PHILLIPS] desire to be heard on the point of order?

Mr. PHILLIPS. Yes, I do, Mr. Chairman. Very obviously, under the act which created the Food and Agricultural Organization, it was authorized to receive money from the United States and has received money from the United States each year in the same amount I am offering here or more. Consequently, the authorization under which it has received money in the past is the same authorization under which it may receive money today. I am earmarking money for the purpose for which it has been spent in the past.

The CHAIRMAN. Does the gentleman from New York [Mr. TABER] desire to be heard on the point of order?

Mr. TABER. Yes, Mr. Chairman. The language is not authorized by law. There is no authorization for any of these items here except the rule under which the bill was brought in.

Mr. PHILLIPS. Mr. Chairman, on that point I will have to concede the point of order. In other words, everything in the bill would be subject to a point of order, except for the fact that the Committee on Rules waived points of order against the printed bill.

The CHAIRMAN. The Chair is constrained to sustain the point of order.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 3, after line 24, insert "constributions to the United Nations expanded program of technical assistance: for contributions authorized by section 305 (a) $17,958,000."

Mr. PHILLIPS. Mr. Chairman, I make a point of order against the amendment.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not authorized by law.

Mr. VORYS. Mr. Chairman, may I be heard on the point of order.

The CHAIRMAN. The gentleman may proceed.

Mr. VORYS. Mr. Chairman, if the Chair will look at page 2 of the bill, he will find these words, showing what was made in order by the Committee on Rules:

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, public law approved 1954, H. R. 9678 as follows.

The amendment that I propose is to section 305 of the Mutual Security Act for expenses necessary to enable the President to carry out the Mutual Security Act 305. It seems to me that this bill now before us, and the rule which waives all points of order against the bill, which begins as I have read, waives points of order for expenses necessary to enable the President to carry out the provisions of this act.

The CHAIRMAN. The point of order is sustained.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 3, line 24, strike out "$100,000,000" and insert "$117,958,000."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is not authorized by law. It is for an amount which is not authorized by law, and the fact that the sum is in the bill for $100 million does not lay it open to anything beyond the figures that are in the bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. VORYS. Mr. Chairman, I merely want to point out that in the bill there is no limitation on that amount and, therefore, the amounts in this bill and any amendments proposing changes in them are germane under the rule under which we are operating.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. If I have the floor.

Mr. ROONEY. When the gentleman voted to adopt the rule earlier in the day, did he not practically adopt every figure in the report and the bill?

Mr. VORYS. If I may comment to the gentleman, it seems to me that since the reason we are acting is because this bill has not become law, and we are acting on the basis of something that passed the House, it comes with poor grace from the Appropriations Committee to claim that changes in the amounts were

not authorized by law. I think there is no point of order against that.

Mr. ROONEY. May I say to the gentleman from Ohio that I am in thorough agreement with him in that the United Nations technical assistance program should not be wiped out in one fell swoop. I said that here on the floor earlier in the day. However, I do not know how the distinguished gentleman is going to get around this point of order. How can you appropriate the funds to the U. N.?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. McCORMACK. In other words, the position of the gentleman from New York and the peculiar position in which the House finds itself, if a point of order is sustained a motion can be made to reduce any amount, but no motion can be made to increase any amount.

Mr. VORYS. It seems to me a motion to increase an amount is just as germane as a motion to reduce, under this rule under which we are operating.

The CHAIRMAN (Mr. GRAHAM). The Chair is prepared to rule. It is perfectly evident, upon examination, that this simply increases the amount, and therefore it is germane. The Chair overrules the point of order.

The gentleman from Ohio is recognized in support of his amendment.

Mr. VORYS. Mr. Chairman, this amendment restores the amount requested by the Eisenhower administration for the United Nations technical-assistance program, all of which was stricken out by the Appropriations Committee. It consists of $9.9 million to complete the United States' pledge for calendar year 1954 and $8 million to fulfill our pledge for the first half of 1955.

The amendment I offered was the proper way to do this, but it was barred by the technical point of order, and therefore this is the best that can be done under the bill before us. If this present amendment is accepted, the transfer authorizations in the mutual-security legislation would permit the transfer of this amount to its clearly intended purpose.

What do we mean by "pledge"? It simply means that James W. Wadsworth, Jr., son of our beloved late Member, in a United Nations meeting in the fall of 1953, when they were getting up the budget for this organization, pledged that we would pay $13.8 million. Nine and ninetenths million dollars of this was to be subject to congressional approval, because no one can pledge future action by the Congress. He also made the further proposal that from now on we pay 57 percent instead of 60 percent of the total amount to be raised. So that the amount in my amendment is 57 percent of the amounts contributed, not including the amounts to be furnished by the receiving countries. If the amounts contributed by the receiving countries are included, this amendment is about 22 percent of the whole amount.

There are two questions. One is a big one and the other is a little one. The big question is, Are we going to move out of this United Nations organization at the time the Communists move in? They did not participate until last year, when they found out they were losing out propagandawise because of the enormous popularity of this technical-assistance program. So last year the Communists and their satellites came in and put in about 8 million rubles, which I think is about $1,250,000 in American money. Is that the time we want to bow out entirely through the back door from this United Nations organization, by means of not paying our dues? I want to say that in my judgment we get more for our money, in proportion, in good will out of our contributions to the United Nations technical-assistance programs than we do from our own technical-assistance programs, where the expenses are more than five times greater than the amount that is suggested here by the administration for the United Nations program.

It is said there is duplication. We found some in our hearings, but the duplication is at least intended to be in geographical areas and not in functions. That is, the U. N. will carry on a hospital program in a country where the United States is carrying on a bilateral educational one. There are 13 countries where the U. N. programs are the only technical programs.

This amendment will permit the restoration of the $4,300,000 for FAO.

The little question involved is whether an activity important to our foreign policy should be cut off entirely because the agency disobeys admonitions in a committee report, or a conference report. I admit the great power and authority and value of a report from the Appropriations Committee but, after all, their word is not law. To admit this would give this committee, which is, after all, a minority in Congress, independent lawmaking power. In any case, the punishment for failure to comply with a committee report should not be to wipe out an important program which is part of the administration's foreign policy.

We should continue our participation in this United Nations program. This amendment, although not the best way to insure this, will help.

(Mr. VORYS asked and was given permission to revise and extend his remarks.)

(Mr. ROOSEVELT (at the request of Mr. ROONEY) was given permission to extend his remarks at this point in the RECORD.)

Mr. ROOSEVELT. Mr. Chairman, I am most concerned by the attempt of the committee to reduce the appropriation for the mutual security program below what has already been authorized by the House.

Last week was a somber week for the free world. For there was no denying that although the Indochina war had ended, the free world had suffered a major defeat. An additional 12 million human souls have been engulfed by the Iron Curtain and we must frankly recognize that that uneasy truce in Indochina is no guaranty that other millions in southeast Asia may not some day share the same fate. The determination of the Communist overlords in Moscow and Peiping to dominate the world remains unabated and they are even now, as they have been for many years, scheming the next steps for infiltration and subversion for the rest of Vietnam, Laos, Cambodia, and their neighboring states.

The surest lesson of Indochina which the free world must learn is that men will fight for their independence and free men will fight to preserve their freedom, but no man will fight for another man's promise which he has learned to distrust. The people of Asia do not want promise but performance.

What has been the answer of our Government to the defeat of Indochina? The President and the Secretary of State have reaffirmed their determination to bring to a rapid conclusion a defense alliance of southeast Asia, Great Britain, France, and the United States patterned along the lines of the NATO Alliance. This is good, and all Americans must approve. But if we think that a defensive alliance alone will stop the march of communism, we are whistling in the dark.

The administration's program is completely inadequate. It places all of the emphasis on military strength. It is a policy which forgets that men must understand freedom if they are to fight for it.

The administration's program for technical assistance is little enough. Nevertheless, the committee has seen fit to cut over $17 million from the United Nations technical assistance program and to cut our own technical assistance program initiated by President Truman to stem the tide of communism and to give the people of the underdeveloped areas of the world an alternative worth fighting for.

My colleagues on the other side of the aisle are always ready to fight communism if they can do it cheaply and with words. But this fight to be successful requires a certain amount of sacrifice. Oratory will never stem the advance of totalitarianism. Intelligent planning, such as we had through the Marshall plan, has proven itself.

Guns and bombs will not win the hearts of men. We must emphasize the economic and social goals as well as our military objectives. Just as the Marshall plan for Europe preceded and formed a firm foundation for the NATO Alliance, so must we continue our technical assistance programs if freedom is to survive in Asia. A further reduction of funds for these essential programs is a sure road to the suicide of freedom.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. Chairman, this brings the issue clearly into focus, as between the amendment which is now offered by the gentleman from Ohio [Mr. VORYS] and the amendment which I attempted to offer. About 10 years ago there was created a separate organization, an organization to stand upon its own feet, called the Food and Agricultural Organization, FAO. Please do not confuse it with recent State Department child, FOA. The desire of that organization—FAO—was to make it possible to send technical

men into various parts of the world at very low expense in each case to show other peoples some of the improved techniques which we had learned in agriculture and in industry. The gentleman from Kansas [Mr. HOPE] was a Representative of this Congress in the creation of that organization.

Over the years we have appropriated money direct to that organization. We have earmarked it for that organization. My attempt, had the Chair not ruled it out of order, would have been to earmark, out of the $100 million on page 24, $4 million for the FAO, as we have done in the past. Now there is an attempt, as represented by the amendment offered by the gentleman from Ohio, to give money to the United Nations, of which the FAO is one of the subsidiary groups at the present time. Up to now it has had its own appropriation earmarked for it. We do not want the U. N. to decide how much shall go to the FAO, and how the money shall be spent.

In the past, for example, the ministers of agriculture have been those who, in the agricultural field, determined how the money was to be appropriated. If you give the United Nations the distribution of the money, this will be determined by the political representatives in the United Nations.

Listen to this, Mr. Chairman: There are in the FAO today 17 nations that are not members of the United Nations. They are not Communist nations; they are the free nations and they are our friends. There are in the United Nations six nations that are not members of the FAO. They are the Communist nations, the nations with whom we are at war, cold or hot, whatever you choose to call it.

The desire is to place the FAO money under the control of the United Nations, which has in it the 6 Communist nations and to take into that organization the 17 nations that are not members of the United Nations and that are our friends. I do think, Mr. Chairman, that a "No" vote is decidedly indicated on this amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Ohio.

Mr. VORYS. This amendment is the way to get something for FAO in this bill, is it not?

Mr. PHILLIPS. No; it is not. I say to the gentleman that he is putting it in the point 4 program of the United States, and if you will turn to page 537 of the hearings, you will see that $80 million was all that could be justified before the committee on the basis of the State Department's own figures.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Washington.

Mr. HORAN. I want to say that with the United Nations in command, it will not be the FAO that will determine this technical assistance. It will be the Economic and Social Council of the United Nations, with the Communists sitting in there with the veto.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. ROONEY. May I say that the gentleman from California [Mr. PHILIPS] is correct in his conclusion that this proposed additional money would never reach the U. N. if the amendment offered by the gentleman from Ohio were adopted. It serves no purpose other than to add to the funds for technical cooperation, general authorization, the American program, not the U. N. program.

Mr. PHILLIPS. It would make it more than the request of the State Department to the committee.

Mr. ROONEY. By a number of million of dollars.

Mr. VORYS. Is the gentleman familiar with the transfer provisions of the legislation that passed the House which would make it possible immediately to transfer this sum?

Mr. PHILLIPS. I am aware of the transferability provisions. I am also aware there would be nothing then which specifically earmarks the amount, and it would be 4 times the amount necessary for the particular purpose.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Michigan.

Mr. DONDERO. Do I understand that the Committee on Appropriations left this item out of the bill?

Mr. PHILLIPS. That is correct.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to correct an impression that the gentleman from Ohio apparently has. These millions of dollars cannot be switched around just like that. They must be appropriated into the place where they are authorized by law. If he thinks the Committee on Appropriations permits such things to happen, I want to assure him that the committee does not.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is very unfortunate that we have a rule that will not allow us to fund FAO for this reason: Byelorussia S. S. R., China, Czechoslovakia, Poland, the Ukraine S. S. R., and Russia are not members of FAO. Therefore, we have some control of funds used through FAO, because Russia and her western satellites are not in it. It is a very small budget, that of FAO, never exceeding $11 million, but it has been very effective. If you accept this amendment and turn this whole thing over to the United Nations, these six Russian nations will eventually get insidious control over the use of these funds. I hope the House will work its intelligent will on this amendment. Russia dominates, in the end, every good potential of the United Nations. She is not in FAO.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from California.

Mr. PHILLIPS. Will the gentleman put in the RECORD in connection with his remarks the names of the various nations?

Mr. HORAN. When we get back in the House I will ask permission to include in my remarks made here extraneous matter that I think will be well worth your reading.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not a fact that this United Nations technical assistance program is controlled by a board called UNTAB, the United Nations Technical Assistance Board, a board of 18 members, upon which, of course, the free nations would at all times have an overwhelming majority; is that not true?

Mr. HORAN. I have here a report from Geneva which says they, the United Nations, have to reaffirm and give better direction to all technical assistance programs. That is the Economic and Social Council of the United Nations that is going to tell us how to use these funds. It says we are going to have to revise and work this over so that we can get more effective use out of these funds from the pockets of America. I just hope that you realize what you are doing. You are putting these funds right under the thumb of Russia through this action.

Since Russia and her western satellites are not in FAO perhaps you would like to know more about this worthy—and so far—free world body:

The Food and Agriculture Organization of the United Nations has these chief aims:

To help nations raise the standard of living;

To improve the nutrition of the peoples of all countries;

To increase the efficiency of farming, forestry, and fisheries;

To better the condition of rural people;

And, through all these means, to widen the opportunity of all people for productive work.

TOWARD FREEDOM FROM WANT

FAO grew out of the United Nations Conference on Food and Agriculture held at Hot Springs, Va., United States of America, in May 1943.

At this Conference 44 nations agreed to work together to secure a lasting peace through freedom from want. They agreed that—

Two-thirds of the world's people are undernourished;

Their health could be vastly improved if they were able to get enough of the right kind of food;

The farmers of the world—two-thirds of its populatoin—could produce enough if they used the best agricultural methods;

Full-time work for all could be provided by increased production and efficient distribution;

The nations must act together to attain these ends.

HOW FAO IS ORGANIZED

FAO was formally founded at Quebec Canada, in October 1945—the first of the new specialized United Nations agencies created after the war.

Forty-two governments ratified the constitution at Quebec; FAO's membership at present comprises 71 countries.

FAO is governed by a Conference in which each member nation has one vote. Between

sessions of the Conference, the Council of FAO (World Food Council) acts as the Organization's governing body. It is composed of representatives of 24 member nations.

The Director-General, who is appointed by the Conference, directs the work of the Organization with a staff appointed by him.

The staff works through FAO's technical divisions—agriculture, fisheries, nutrition, forestry, and economics—to accomplish the Organization's objectives.

Temporary headquarters of FAO was in Washington, D. C., from 1945 until 1951. In 1949 the Conference voted to establish permanent headquarters in Rome, Italy, and the move to Rome was effected in 1951.

In addition to the headquarters office, FAO has regional offices in Washington, D. C., United States of America, for North America; in Cairo, Egypt, for the Near East; in Bangkok, Thailand, for Asia and the Far East; and in Rio de Janeiro, Mexico City, and Santiago de Chile, for Latin America.

HOW FAO IS FINANCED

FAO receives financial support from two sources. First, the direct contributions of governments to the regular program of the Organization. In October 1945 the first budget was fixed at $5 million a year. It is now $6 million a year.

FAO's second source of funds is its allocation from the special account established by the United Nations Technical Assistance Conference in 1950. This amount varies from year to year, but is between $5 million and $6 million. This money is earmarked for the provision of technical assistance to governments of underdeveloped countries.

Thus FAO's total financial resources for both regular and technical assistance purposes amount to a little more than ten million dollars per year.

The cost to the countries for their contributions to both programs on a per capita basis is indicated by the following examples of the annual average cost for the years 1951 and 1952: United States 2.6 cents, United Kingdom 2.4 cents, Netherlands 1.9 cents, France 1.4 cents, Turkey 0.44 cent, India 0.09 cent.

HOW FAO WORKS

FAO does not have the funds or authority to buy and distribute food, supply fertilizers and farm machinery, or build and staff laboratories. But it does have three effective ways of reaching its objectives.

FAO collects the basic facts on food and agriculture, forestry, and fisheries, and makes them available in useful form.

FAO gives technical assistance to member countries requesting it.

FAO promotes action collectively among all its member countries; among countries in a region or those interested in the same problems; and in member countries individually.

WHAT FAO DOES

Collecting information

Countries which join FAO pledge themselves to attempt to do away with famine and malnutrition. Yet to plan how this can be accomplished, it is necessary to know just how much food different peoples are getting and how that amount compares with their needs. During its first year, FAO completed a world food survey which estimated the food situation in 70 countries whose people make up about 90 percent of the earth's population.

The world food survey showed that more than half the people of the world did not have enough food before World War II to maintain normal health. Only about one-third of the total population had really enough to eat, while the remainder were on the borderline.

This estimate of the world food situation made in 1946 was the basis of FAO's early planning. Since then, a part of each FAO conference has been devoted to a review of the world food situation.

FAO publishes yearbooks and periodicals containing statistical information, and also prepares special studies on such topics as soil conservation, animal disease control, farm mechanization, rice diets, salted cod, and the use of milk.

As part of this work, FAO published in November 1952 the second world food survey.

Technical assistance

Under FAO's regular program, technical assistance was given within the limits possible under a $5 million budget. This program included sending experts to advise member governments on such matters as nutrition and grain storage, and led in Thailand to the successful veterinary campaign which ended by stamping out rinderpest in that country.

The growing demand for assistance from many countries led the General Assembly of the United Nations to make arrangements to set up a special account in 1949 to finance the Expanded Technical Assistance Program for under-developed countries. At a special conference in June 1950, 55 nations agreed to contribute more than $20 million for the first financial year. FAO received 29 percent of the funds actually contributed.

Since then, 55 countries and territories have signed agreements with FAO for technical assistance under the expanded program.

Experts on tropical crops have gone to Ethiopia; fisheries experts to Haiti, Thailand, and Chile; nutritionists to Greece, Thailand, and Central Amercan countries; and small-tools and farm-machinery specialists to India and Afghanistan.

Demonstration meetings have been held for technicians of various regions on such topics as hybrid corn breeding, food freezing, artificial insemination of livestock, and the manufacture of veterinary serums and vaccines.

FAO has distributed a wide variety of seeds for experimental purposes. This seed distribution is part of an FAO program to promote the international exchange of plant breeding material, for in a number of cases the introduction of new breeding stock has resulted in large increases in food production. To stimulate such international exchange, FAO has begun collecting a list of the varieties of important food crops which plant breeders the world over are using in their work.

At the request of the Austrian Government, FAO experts are advising on a broad program of forest rehabilitation.

The Indian Government has been helped in food processing and preservation problems. Greece and Ceylon are being assisted in dairy improvement programs. Assistance is being given to Pakistan in land drainage and reclamation.

Promoting action

The following are some examples of how FAO has promoted action:

On the recommendation of the nutritionist whom FOA sent to Greece, the Government set up a national nutrition service. School feeding programs were begun, and large shipments of dried milk were given to children, sick persons, pregnant mothers, and other special groups.

After FAO helped several Central American countries combat locusts during the severe pague of 1947, the countries of the area set up a cooperative program to combat this pest. A regional attack on locusts is necessary, for locusts may breed in one country, then swarm to another to devour its crops.

At the end of World War II, many commodities, such as rice fertilizers, fats, and oils, were very scarce. The countries in greatest need could not pay scarcity prices. FAO, through its International Emergency Food Committee, suggested the allocation of these commodities to try to make their distribution fair. Many countries cooperated with the IEFC, and thus widespread hunger was averted.

FAO has also promoted action by forming regional commissions in fisheries and forestry, an International Rice Commission in the Far East, and a foot-and-mouth disease control conmmission in Europe.

Fellowships. FAO fellowships are awarded as an adjunct to expert advice. Such fellowships are intended for further technical training in subjects such as irrigation, engineering, or wood technology, on which an expert is already working in his home country.

FAO also conducts temporary training courses for the instruction of technical and administrative personnel. Such courses are held either for the nationals of one country or for the residents of a region. They cover the whole range of FAO's operations.

FAO member countries: Afhanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, German Federal Republic, Greece, Guatemala, Haiti, Honduras, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Korea, Laos, Lebanón, Liberia, Luxembourg, Libya, Mexico, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippine Republic, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Syria, Thailand, Turkey, Union of South Africa, United Kingdom, United States of America, Uruguary, Venezuela, Vietnam, Yemen, Yugoslavia.

This organization has, under the direction of America's N. E. Dodd, and now, Mr. Vincent Carden, former head of our research in the USDA, compiled an envious record in the field of technical assistance.

Their technicians are not suspect as are the agents of nations, including our own Federal Government. They have not, so far, been hampered by the growing politics, intrigue, and stalemate that haunts the United Nations.

Yet the United Nations has taken steps to encumber and control the FAO and to make them the vassels of its politically minded councils. In these councils, Russia, of course, with her three vetoes is dominant.

Here is a recent announcement from a meeting of a United Nations technical assistance committee in Geneva:

EXPANDED PROGRAM OF TECHNICAL ASSISTANCE

ARGENTINA, CUBA, FRANCE, TURKEY, UNITED STATES, AND YUGOSLAVIA DRAFT RESOLUTION

The Technical Assistance Committee—

Reaffirming the need to revise, for 1955 and subsequent years, the general rules for allocation of technical assistance funds to the organizations participating in the expanded programs, as originally laid down in resolution 222 (IX) of the Economic and Social Council;

Reaffirming the principle that United Nations technical assistance programs should be drawn up at country level in accordance with the needs of each country and be integrated with the economic development plans prepared by national governments, the technical resources of the various participating organizations being used to the maximum in the preparation of those programs;

Considering that governments should be more closely associated with the planning and approval of programs;

Having examined the comments submitted by the Administrative Committee on Co-

ordination in the section of its report relating to technical assistance (E/2607, paragraphs 10–16) and the additional information furnished by the Technical Assistance Board in response to the request of the Committee formulated in its report to the 17th sesssion of the Council (documents E/TA/40 and E/2558);

A

Recommends to the Economic and Social Council to approve the following proposals:

1. As from January 1, 1955, the funds of the Expanded Program of Technical Assistance shall no longer be allocated to the organizations participating in the program on the basis of percentages fixed in advance. The funds shall be distributed on the basis of the requests submitted by governments and the priorities established by them, subject to the provisions of paragraph 2 below.

2. The planning and approval of the programs, and the allocation of funds for their implementation, shall be subject to the following procedure and principles:

(a) At the beginning of each year, the TAB shall formulate, and indicate to the various countries, as a guide in planning their programs, target figures showing the amount which may be allocated to them during the ensuing year on the basis of an assumed financial availability. The figures shall include agency subtotals for each of the organizations participating in the program, derived from their activities during the preceding year. Governments shall however be at liberty to present their requests without being bound by these subtotals.

(b) Programs shall be established at the country level by requesting governments in conjunction with the resident representatives, the participating organizations and their local representatives. Negotiations with requesting governments regarding country programs shall be carried on under the principal responsibility of the resident representatives.

(c) The total technical assistance requests shall be forwarded by requesting governments to the TAB, with an indication of the priorities established by them. The TAB shall consider the requests, draw up the overall program for the following year, and submit it, with its recommendations, to the Technical Assistance Committee.

(d) The Technical Assistance Committee shall review the draft program in the light of its importance for economic development; this review shall not deal with the technical aspect of the program, but with program interrelationship, overall priorities, and evaluation of projects. On the basis of that review it shall approve the program, and its approval shall be a prerequisite for any commitment in regard to the implementation of the program. The planning and examination of the annual program shall be carried out in such a way that the TAC can give the Participating Organizations, by November 30 each year at the latest, an approximate idea of the total amount to be entrusted to them.

(e) Subject to the approval of the General Assembly, the TAC shall allocate funds to each of the participating organizations in proportion to their share in the overall program approved; these funds shall be drawn from the net financial resources, after setting aside the expenses of the TAB Secretariat, the Reserve and Working Capital Fund and "free money" up to 5 percent of the estimated resources for the financial year, the allocation of which shall be decided by the Executive Chairman of the Technical Assistance Board, who shall consult the Participating Organizations directly concerned. This fund of 5 percent is to meet any urgent needs which may arise during the implementation of the annual program.

(f) In allocating the funds to the different Organizations, the TAC shall insure that the amount allocated to each of them for the coming year is not less than 85 percent of the amount allocated to it under the current year's program, so as to avoid substantial fluctuations in the total amounts entrusted to each participating organization from year to year.

3. The TAC would continue to be under the authority of the Economic and Social Council and its decisions subject to general policy review by the Council.

B

Recommends the Economic and Social Council, in accordance with paragraph 6 (f) of Council resolution 222 (IX) concerning the powers vested in the Technical Assistance Committee, to approve the addition of the following functions to those now performed by the Technical Assistance Committee:

(a) The final authorization of the program.

(b) The allocation of funds available for its implementation.

The action of the House, today, does not help FAO. Had the Vorys amendment carried we would have directly funded this effort and would have destroyed a mighty good agency that has some semblance of independence and which, both in its assembly of 71 members has some regard for fair voting.

I trust that further consideration of this bill, in the other body and in conference, will correct this.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, I support the amendment offered by the gentleman from Ohio.

Mr. Chairman, I want to direct my remarks to the provisions of the bill dealing with technical cooperation—that is, the so-called point 4 program as originally proposed in his 1949 inaugural address by President Truman and then adopted by the 81st Congress, and a somewhat similar but nonduplicating program adopted by the United Nations.

The purpose of these programs is to advance the cause of peace in the most effective long-range fashion yet devised. Much of the Mutual Security program, and most of the appropriations provided in this bill, deal with military strategy and military strength. We all know that such steps are vitally necessary in a divided world in which aggression is very much on the march.

But alliances by themselves are often transitory things. Military strategy must often change overnight to suit new conditions. Maginot lines are flanked and neutralized, sometimes before they have ever been put to any military test. Weapons become obsolete and must be replaced. Technology can neutralize even the best weapons, too. Perhaps the H-bomb itself has been neutralized as poison gas was neutralized merely by common possession of the weapon by the opposing sides and the fear of retribution.

Wars are fought, Mr. Chairman, for all sorts of reasons, but they are fought most often for economic reasons. Nations cut off from needed resources have launched wars to gain access to those materials. Others have committed aggression to find and seize markets. The Communist conspiracy seeks to conquer the whole world partly for these objectives, but mostly for the sake of destroying any system which upholds freedom. The point is that it gains its adherents in many parts of the world by pretending that it is interested only in the economic advancement of the common people, which is probably the biggest lie on the grandest scale the world has ever known.

Nevertheless, to the extent that communism does gain adherents among free men, it is on the basis of these completely fraudulent economic pretensions.

That being so, we can best, over the long range—assuming we can and will meanwhile sustain a strong and adequate military defense against it—remove the danger of communism and thus its aggressive potential by a world-wide effort to raise living standards and provide decent conditions for all people everywhere.

A peasant with his own farm on which he can provide adequately for his family's needs is about the poorest recruit imaginable for Communist-style collective farming. A well-paid worker in either agriculture or industry, able to raise his family in dignity and decency on his income, is no potential recruit for communism, either.

We make much sometimes of the Communist internal danger in the United States, Mr. Chairman, but since 1933 there has been no danger whatsoever of any mass uprising of the American people in favor of anything remotely resembling communism. The only danger here comes from neurotic or unstable individuals who have forsaken other religions to embrace the religion of communism and who, under some incredible delusion, believe they serve a worthy cause by seeking to subvert or destroy freedom in the United States. There are few such Americans—a very tiny and almost infinitesimal fraction of the population, and most of them are well known to the FBI. Of course, they constitute a danger to the Nation, but not in the same way as would a mass movement of dispossessed and hopeless Americans recruited into the Communist Party in the hope of achieving for the first time in their lives some semblance of decent living conditions.

While we can be proud of America's freedom from this disease of mass despair based on hunger and misery, we must keep in mind that many underdeveloped areas of the world are not so greatly blessed. Communism, in those areas, is presented as the only alternative to continued hunger, misery, and hopelessness.

THE POINT 4 CONCEPT

Through point 4, by whatever designation the current administration chooses to call it to minimize President Truman's role as its originator, we are striving to get at these conditions of economic backwardness and teach people in the underdeveloped areas how to live better through self-help methods of improving agricultural and industrial pro-

duction. It was, when President Truman first enunciated the idea, a bold, new program and it has been living up to its advance billing. The present administration was wary of the idea last year and asked for far from adequate funds. In the authorization bill we recently passed here to continue the program, the ceiling set by the administration again was low. Consequently, the most which could be appropriated for the program in the coming year would be $112,070,000.

If the whole amount were appropriated, it would be only about 2 percent of the total amount in this bill, mostly for military purposes. Instead, the Appropriations Committee has cut the item from $112,070,000 to a round $100 million, saving two-tenths of 1 percent of the amount of money recommended here for all mutual-security purposes. This comparatively small sum, which probably does more to earn goodwill and friendship from people in the Communist-threatened parts of the world than any other money we spend—because it is a purely humanitarian people-to-people kind of friendly help—should be restored in full in the bill, and I shall support an amendment to provide the full budget amount

THE U. N. TECHNICAL ASSISTANCE PROGRAM

Mr. Chairman, I support the amendment of the gentleman from Ohio [Mr. VORYS], to put back into the bill the $17,958,000 required to carry out promises to the United Nations, for the U. N. expanded program of technical cooperation.

The U. N. program grew out of our own point 4 program. It was based on a belief shared by most U. N. members that this kind of program was the most intelligent approach available today to the problem of securing lasting peace and friendship among nations. The U. N. program, which we are assured by Mr. Stassen does not duplicate the United States program—and vice versa—has the advantage of being a joint program in which all nations can participate. Some which might hesitate to accept aid directly from the United States for political or other reasons—and there could be a lot of such reasons—do not have this hesitation about joining in a U. N. program. The point is that it is to our advantage and to the advantage of all free nations seeking to maintain freedom in the world that we encourage in every possible way every possible means for raising the living standards of people in the underdeveloped areas. I do not think I have to belabor that point or the reasoning behind it. Looking at it just from the hardheaded business standpoint of world trade, we cannot sell tractors to people who do not yet know how to use steel plows; we cannot sell toothbrushes, if you will, to people who have yet to learn the barest rudiments of personal hygiene; we cannot sell industrial equipment to people who are still in an industrial caveman era.

But that is not the reason we enter such a program. It is, I think, the least of our concerns right now. We are interested in achieving a peaceful world. There can be no peace—no enduring peace—while vast areas of the world suffer such poverty, misery, and famine that human life incvitably is considered cheap because death is always levying such a tremendous toll each day.

If pcople are taught to live longer and better, war lords and aggressors will find it harder and harder to sacrifice hundreds of thousands of their men in battle, for no longer will the victims of such cruelty and inhumanity come forward to die so casually. In areas where the average life expectancy is around 30 years, as against our 70, and 11 or 12 percent of the children die at or soon after birth, naturally human life is considered pretty cheap.

The thing which bothers me most about the elimination from this bill of any funds for the U. N. technical-assistance program is that we are being asked to run out on a financial obligation we have pledged as a country to make to the U. N. I do not think that is a very good example for this Nation to set. True, the commitment which was made to the U. N. by our State Department was contingent on congressional approval. But the Congress had authorized participation in the program and the Congress in previous years has made good on these commitments. We owe already the U. N. $9,900,000 for the rest of the 1954 calendar year. We committed ourselves as a Nation last November to pay the U. N. nearly $14 million for the technical-assistance program during 1954 and we have only paid about $4 million so far.

Since the U. N. operates on a calendar year and Congress appropriates on a fiscal-year basis, a good part of the money we appropriate in any one fiscal year is already owed to the U. N. for the current calendar year. So if we appropriate the budget amount now of $18 million, nearly $10 million of that goes to the current year's debt and that will leave $8 million to apply toward the U. N. 1955 program, which is approximately half the amount the State Department plans to pledge for 1955.

If we have any doubt or hesitation about allowing this money, I think we owe it to ourselves and to our country's prestige and influence to note the explanation of the State Department in this respect, as it appears at page 446 of the hearings:

> Of the total appropriation—for the 1954 fiscal year the Department reported—$4,600,000 was used to complete the payment on our pledge for the calendar year 1953. That left a balance of $3,900,000 of the 1954 fiscal year appropriation to apply to the calendar year 1954 United Nations program.
>
> We were faced with the problem of two alternatives at the pledging conference which was held in November last year:
>
> We had either to pledge $3,900,000, the amount of available appropriated funds toward the calendar year 1954 program, or to pledge a larger amount subject to congressional approval. Because of the great importance we attach to this program, we decided to make the larger pledge, the difference between $3.9 million and the larger amount, subject to congressional approval. The $8 million * * * represents approximately one-half of the estimated 1955 calendar year program.

So here, Mr. Chairman, we have the word of the State Department—from a young man, incidentally, who was a delegate to the Republican National Convention in 1952—that the administration considered this program of the U. N. so important to our foreign policy that it made this commitment contingent on expected congressional approval. That approval should be forthcoming.

I do not think we, of all nations, should run out on U. N. commitments. It would be the best propaganda weapon the Communists could use against us, even though, in their case, they have been most miserly in supporting this program. I say that is all the more reason why we should treat the program generously.

Somewhere in the testimony either on the mutual-security authorization bill we recently passed or on this appropriation bill to carry it out, I noted that to many recipients of this kind of help, they make no differentiation between United States and United Nations technical help—they believe generally it is United States help. Should we throw that psychological advantage away?

(Mr. HOWELL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise in opposition to the amendment. I wish to associate myself with the remarks made by the gentleman from Washington [Mr. HORAN], and the remarks made by the gentleman from California [Mr. PHILLIPS].

Apparently there is a great deal of confusion about this matter. I think we all agree that the work that has been done by FAO up to now has been worthwhile in many respects. We would like it to continue that way.

I think it is very important that the Members of the House know this: At the present time there are a number of member nations in the FAO which are not members of the United Nations, namely, Austria, Cambodia, Ceylon, Finland, Germany, Ireland, Italy, Japan, Jordan, Korea, Laos, Libya, Nepal, Portugal, Spain, Switzerland, and Vietnam. There are members of the United Nations who are not members of FAO. They are, Byelorussian S. S. R., China, Czechoslovakia, Poland, Ukrainian S. S. R., and the U. S. S. R.

I think this is a matter which probably can best be worked out in conference. Therefore, I urge the Members of the House to vote down the amendment introduced by the gentleman from Ohio [Mr. VORYS]. Apparently, the amendment would bring Communist countries into FAO, whereas at present they are out of it.

Mr. TABER. Mr. Chairman, I think the gentleman from New York [Mr. JAVITS], who has an amendment, should offer it now, so that we may see what it is.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the Vorys amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. VORYS: On page 3, line 24, strike out "$117,958,000" and insert "$130,028,000."

Mr. TABER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. This item is not authorized to the tune of $130 million and it is not in order for the House to consider an amendment for an amount which is without an authorization.

The CHAIRMAN. Does the gentleman from New York [Mr. JAVITS] wish to be heard on the point of order?

Mr. JAVITS. I should; yes. The Chair has just ruled on that very question in reference to the Vorys amendment. I ask that the point of order be overruled.

The CHAIRMAN. The Chair overrules the point of order. The Chair ruled previously on the same question.

The gentleman from New York [Mr. JAVITS] is recognized on his amendment.

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I do not know whether the House wants to know anything about this or not, but here is the picture.

They were given $9,500,000 last year, and the provision specifically states:

For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, $9,500,000.

In violation of the law they used that money for the first 6 months and they came in to us with a request for $17,500,000 and a little more, $9,500,000 of which was to supplement the 1954 deal. Then they only had a program of $8 million for the year 1955. That is how silly this amendment is and the approach to it. They violated the law. It is one of the worst outfits we have. They have Communists on the roll, going into different places. From Poland they have one in India, and in Iran. Then they have a bunch down in Mexico and Yugoslavia, Turkey, and Ecuador.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Is not this an attempt to circumvent the action taken by the committee? What the amendment intends to do is to get enough money in here so they can transfer it from here into the United Nations program.

Mr. TABER. There is no place where they can transfer it the way the bill reads now, because it is not there. There is no such thing as this multilateral business in the bill, and it could not be transferred to it because it is not there.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that our committee had agreed to allow $85 million for a technical-cooperation program, and then after we decided to cut out the United Nations technical-assistance program we added $15 million to the $85 million, making a total of $100 million to make up for the amount that we had cut out of the United Nations technical-assistance program?

Mr. TABER. Yes; that is right.

This UNESCO business is in here, and that is th same thing that the gentleman from Iowa [Mr. GROSS] talked about this morning.

Mr. Chairman, I hope these amendments will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 34, noes 110.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, every time I have an urge to speak, it invariably concerns a subject that I know very little about. There are certain obvious facts that we all should know, which I desire to discuss. We talk about going in with the Russians on some of these appropriations as suggested by the gentleman from Ohio [Mr. VORYS]. We have had experience enough now to know that if you had a pistol right on the pupil of their right eye, you could not trust them. That ought to be enough. Who armed Russia? We did. They got $13 billion from us. We set her up in business. We believed her but now we see the folly of our foreign policy. Who set the Reds up in China? We did. We furnished this material for Chiang Kai-shek and they took it away from him and built a great army with it. Finally, we refused Nationalist China a cent and the Reds over-ran China. That is what has been the result of our foreign policy. I hope the Committee on Foreign Affairs is not responsible for the conduct of our foreign affairs because we have lost thousands of boys and have spent billions, and have settled nothing. Who armed the Reds in Indochina? We did. We gave arms to the other side and they took them away from them and they are still hauling the guns and the trucks out and taking them over to build their own army. We have had several years of these experiments. I do not know how long you want to continue it. But with all the money that we have spent, the wars are still going on and we are no nearer to peace now than we ever were and Russia and her partner China are on the march for more territory. You say in one of these bills—the atomic energy bill, that any country can use it if they will promise that they will use it for peaceful purposes. That includes Russia. Do you want to turn these secrets over to Russia? Do you believe the promises they make they will keep? You have had experience enough. In the United Nations, Russia has come in now in supporting it with money. They want that now. You bet they do, because the United Nations at this minute is engaged in building a world government which Russia and Red China will control. They will have a lower house of congress selected by the population. Who will elect that lower congress? Russia and China. I say, when India is not for us, she is against us. Every time a vote has come up in the United Nations, have they ever voted with us? Not once. We built up Tito? I remember when the Congress was meeting in the other building, we voted $50 million for Tito and he balanced his budget and immediately went over and got in bed with the Russians. He is a Communist. I never saw a Communist in my life who I knew was a Communist, I could trust out of my sight. The American people ought to know that by this time. What is the use of driving the Communists out of Europe and Asia, if we are going to have them right here in the United States? There were 21 of them who were put out of the United Nations because they refused to answer certain questions. They hid behind the fifth amendment.

What did they do? They took an appeal to the United Nations. The United Nations decided against this country and ordered 11 of the expelled employees to be reinstated and be paid $170,000 in damages.

The United Nations is reeking with Communists from one end to the other. You canont find out anything about it.

It is none of our business, they say. Do you want to foist upon the American people an institution of world government that will consume our own? Is that what you want? I will vote "no" on every one of these propositions that you have presented here today to increase the amount. The least we can do is to follow the leadership of the gentleman from New York [Mr. TABER], and I know he has not cut it down where he thinks it ought to be, but he is doing the best he can. He is doing a heroic job, and I will support him by voting "no" on all increases, "yes" on all deductions, and finally aid him some more by voting "no" on the entire bill.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 13, after line 4, insert:

"SEC. 110. Not more than 96 percent of any appropriation or reappropriation in this act shall be available for obligation."

Mr. BUDGE. Mr. Chairman, I shall not discuss the merits or demerits of the legislation now before us. To do so after the statement of the gentleman from North Dakota [Mr. BURDICK] would be surplusage.

I desire, however, to call the attention of the House to the fact that in this bill there are more funds than Harold Stassen and the FOA requested. At the time Mr. Stassen appeared before the Foreign Affairs Committee he estimated that there would be carry-over funds from fiscal 1954 of $1.6 billion dollars. He requested from the Foreign Affairs Committee an authorization of new money of $3.4 billion. When he appeared before the Appropriations Committee it developed that instead of $1.6 billion in carry-over funds there would actually be at least $2.6 billion in carry-over funds. Mr. Stassen in his testimony before the Appropriations Committee said this on page 20 of the hearings:

Mr. TABER. Do you have a figure handy of the estimated unobligated balances at the end of fiscal 1955?

In other words, the chairman of the committee was inquiring as to how much would be unexpended at the end of June 1955, and this is what Mr. Stassen said:

Yes, sir. It is in a table in here on page 10, I believe. On the right-hand column is the fiscal 1955 data. At the end of fiscal 1955 we anticipate that there will be an unobligated balance of $1,004,479,554.

Now, if the funds which are appropriated in this bill, if the entire amount of the bill is appropriated, you are appropriating some $200 million more than Mr. Stassen said he wanted for fiscal 1955. As a matter of fact, the FOA confessed judgment to the tune of $1 billion between the time they appeared before the Foreign Affairs Committee and the time they appeared before the Appropriations Committee. The Appropriations Committee has seen fit to accept that confession of judgment up to the tune of $800 million.

This amendment would simply take advantage of the other confession of judgment up to the total of the $1 billion dollars. It would decrease overall the amounts in the bill by some $200 million, a 4 percent decrease, and would leave in the bill the exact amount of money which Mr. Stassen said he wanted. It would leave enough money in the bill so that the unobligated balance would be reduced to zero instead of to $200 million as would now be called for.

Some people might say that this is a shotgun approach, but if there ever was a bill upon which a shotgun approach is necessary and called for, it is in this instance. I repeat that all of the funds which the FAO requested will be carried in this bill if my amendment is adopted.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Virginia.

Mr. GARY. Will not the gentleman admit that it is a shotgun approach?

Mr. BUDGE. No question about that. I think the only way this bill can be approached is by the shotgun method. We have had shotguns mentioned around here all afternoon. Certainly if we get all the money that the FAO wants I do not see how the gentleman from Virginia or anybody else can complain.

I hope my amendment will be adopted.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho.

Mr. TABER. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. FORD. I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

[Mr. FORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and on a division (demanded by Mr. BUDGE) there were—ayes 51, noes 118.

So the amendment was rejected.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offered in committee an amendment which was adopted which will protect million of dollars of taxpayers' dollars.

This amendment had to do with foreign credits and counterpart funds available to various agencies of the United States Government in certain foreign countries. Foreign credits are created abroad in various ways, the most usual of which is through the sale of United States property. Counterpart funds are created under this foreign-aid program, when goods and commodities furnished by the United States are sold to the people of another country and the proceeds are placed in a special fund to carry out certain agreed upon programs. Ten percent of these counterpart funds are set aside for the use of the United States in meeting the costs of its various agencies operating in each country.

Section 1415 of the Supplemental Appropriation Act of 1953, which was introduced 2 years ago by the gentleman from Michigan [Mr. RABAUT], was adopted to correct certain abuses which were found to exist relative to the use of these foreign credits and counterpart funds. It requires that agencies having need for these foreign credits and counterpart funds must come to Congress for an appropriation to cover the purpose for which they were to be used. Prior to the adoption of the amendment, it was possible for the various agencies such as FOA and the State Department to supplement their appropriations for programs under their supervision by dipping into these counterpart funds, which were available without restriction. In one instance the committee found that a cut in administrative funds for 1953 was partially nullified in this manner.

Section 502 of the basic legislation for the mutual security program, now pending before Congress, repeals most of the legislative control provided by section 1415, by exempting counterpart funds generated from surplus agricultural commodities furnished under section 550. In 1954, such transactions amounted to well over $250 million and in 1955 it is estimated that they will run somewhere between $350 million and $500 million.

My amendment which was adopted and is now in this bill was intended to control the use of these funds, by making them subject to section 1415, and thereby restore to Congress the control over all funds to be used for the mutual security program. There is little use in attempting to limit regular annual appropriations for these programs unless Congress also has some control over these counterpart funds. The weeks and months of deliberation by Congress are largely wasted if the various agencies such as FOA and the State Department have access to an unlimited source of funds to restore cuts made by Congress.

The committee has reduced administrative funds for FOA and the State Department in this bill by over $4 million for next year. If section 502 prevails, there is nothing to prevent these agencies from making up this cut by dipping into these counterpart funds. Also, there is the large sum of over $50 million in this bill for exchange of trainees and related training programs, exclusive of the exchange-of-persons program in the State Department. In the absence of my amendment, there is nothing to prevent these agencies from further expanding this activity, through the use of these counterpart funds.

The $350 to $500 million in counterpart funds which will be generated through the surplus agriciultural commodity section of the bill next year should be controlled as fully as any other part of the bill.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call attention to a provision in the bill which I think does not do what its authors intended, and which does some things that are harmful and which I do not believe they intended. We have not been able to get an agreement on language here today, so no amendment will be offered, but I hope it will be corrected in conference.

On pages 9, line 19, are these words:

Notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953.

Section 502 of the Mutual Security Act of 1954 continues available the foreign currencies received from the sale of surplus agricultural commodities under section 550 of the Mutual Security Act of 1953 which we passed last year. Now, this language will require that to spend those foreign currencies derived

from sale of farm commodities purchased from last year's appropriation, they must be bought again by new appropriations from this year's bill. That is, it will require a double appropriation for the same agricultural commodities and artificially inflate the cost of this whole program. Furthermore, it will defeat the sale of agricultural surpluses for foreign currencies. It is cheaper and easier to give them away. They have to be bought only once if given as a grant; but bought twice if sold. Surely that is not what the Appropriations Committee had in mind when it put in this language. It probably felt, and perhaps in some cases had reason to believe, that some of the foreign currencies received from the sale of surplus agricultural commodities abroad were being used for other purposes than the Congress had in mind when it appropriated the dollars for the mutual security program, with which the commodities were purchased under section 550.

Now, this is the way it operates. Suppose, the Defense Department wants to make an agreement with a munitions factory in Italy to make certain military items for the common defense. Under offshore procurement they can be made more economically over there than here. FOA gets Italian currency from the sale of our wheat, cotton, tobacco, or whatever it may be. Then when the military items are delivered by the Italian factory, the lira are supposed to be used to pay the bill instead of dollars, the dollars having gone to purchase the wheat, cotton, and tobacco in the United States.

But, if you make all these foreign currencies derived from the sale of surplus agricultural commodities come back to the Committee on Appropriations, then we have to appropriate money a second time to buy from the Treasury the Italian currency which was obtained by the sale of the products bought with the original American dollars.

What it amounts to is an invisible cut in the amount of aid given. Last year $245 million worth of agricultural commodities were sold for foreign currencies. More than two hundred million of those currencies are still unspent, although committed in international agreements. So the effective appropriation in this bill is cut by that amount.

Furthermore, under section 550 of the act last year more surplus agricultural commodities have actually been disposed of abroad than under any piece of legislation we have. This language will retroactively negate most of the benefits obtained from that operation, and will effectively "gut" the program in the future. I hope it will be taken care of in the other body and in conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEAL. Mr. Chairman, the United States has been spending her money, her resources, and her manpower in the hope of buying friends. She has become entangled in political intrigue in nations around the world. She has suffered diplomatic humiliation and accepted virtual military defeat in Korea and Indochina. She has been embarrassed by frequent defection of her trusted allies. She has witnessed a decline in respect, influence, and leadership abroad while permitting progressive socialism, national indebtedness, and confusion at home.

We should take a leaf from the pages of Russia's recent history. She has kept the door to her domestic affairs closed to the outside world. She has conserved her internal wealth and saved her manpower from slaughter. By intrigue and subversion, she has absorbed one border nation after another. By propaganda and deception, she has aroused racial hatred among the peoples of contiguous nations. These, at least temporarily, have succumbed to her overlordship. She has bolstered her economy and increased her wealth by confiscation.

Russia has played her strength, her wits, and her opportunism against our money. America, the philanthropist, sees her international leadership waning. Why compel Americans to continue this vain sacrifice?

Mr. TABER. I move that all debate on this bill and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, pursuant to House Resolution 686, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Is a separate vote demanded upon any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PASSMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PASSMAN. I am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. PASSMAN moves to recommit the bill, H. R. 10051, to the Committee on Appropriations.

The SPEAKER. The question is on the motion to recommit.

Mr. DAVIS of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GARY. Mr. Speaker, on that I demand the yeas and nays.

Mr. HALLECK. Mr. Speaker, the gentleman from Texas [Mr. RAYBURN] has informed me that because of the fact that there are primaries on in Louisiana and Arkansas today, he had told a number of Members on his side that there would be no record vote today. In view of that fact, I ask unanimous consent that further proceedings in connection with the passage of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH BUSINESS ON CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit tomorrow during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, as I understand it, there are a couple of conference reports that will take very little time; also, I should like this evening to dispose of H. R. 9413, the Capitol Police Force bill; S. 3137, from the Committee on Agriculture, having to do with water resources; H. R. 3534, from the Judiciary Committee, having to do with patents; and H. R. 9390, from the Committee on Interstate and Foreign Commerce, having to do with prisoner-of-war benefits.

I may say that these bills have been discussed with the committee chairmen on this side of the aisle and with the ranking members on the other side, and I think they can be disposed of very shortly.

Mr. Speaker, let me say also that I have high hopes that we may yet this week dispose of the measures that are before us on which rules have been granted and which should be considered, in order that we may send to the other body before the week is out a resolution for sine die adjournment.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MILLER of Nebraska. Is it anticipated there may be some day or two for suspensions for certain bills on which we do not get rules?

Mr. HALLECK. That is a matter I would have to take up with the gentleman from Texas [Mr. RAYBURN], because suspensions are not in order this week, and I have not spoken to him about it. However, I rather suspect if I were to tell him what bills we had in mind for suspensions and, if it met with his approval, he might permit us to call them under suspension.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from California.

Mr. PHILLIPS. Can the majority leader tell us about the arrangements tomorrow for the joint meeting to receive the President of South Korea?

Mr. HALLECK. We have just arranged that we will come in at 10 o'clock tomorrow morning. The vote on the measure just under consideration, which I assume will be a record vote, can take the place of a quorum call as we meet at 10 o'clock tomorrow. Then we shall call up the conference report on the tax bill. I understand there will be a motion to recommit on the tax bill. I can see no reason why we cannot dispose of that matter before the appearance of the President of South Korea.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Will there be a call of the Consent Calendar this week?

Mr. HALLECK. I have expected to call the Consent and Private Calendars again before the week is out. I do not know just what day it will be. However, that certainly is in mind, as I said before.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Did the gentleman say that he contemplates a resolution for sine die adjournment yet this week?

Mr. HALLECK. Yes.

Mr. LECOMPTE. The gentleman contemplates that we can have an early adjournment?

Mr. RAYBURN. Of course, that resolution will have to have the consent of the Senate.

Mr. HALLECK. That is right. I may say to the gentleman from Iowa that if we pass a sine die adjournment resolution, necessarily it goes to the other body and they could amend it for whatever might suit their necessities, but as far as we are concerned here in the House of Representatives, I think that on the whole by the time the week is out we will have disposed of the matters that are to be disposed of in this session of Congress. That is not to say that if we continue in session there are not some other measures that might be called.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Carolina.

Mr. RIVERS. Will we have 3-day recesses pending the decision of the other body, which may be into the late fall of this year?

Mr. HALLECK. I trust that the assumption of the late fall this year shall not come to pass. There has been no determination, I may say to the gentleman, about the 3-day recesses. But I can state this, I think, for the RECORD, that if we get our work done and we are awaiting action in the other body and for measures to go to conference on which conference action would be required, the necessity for Members to be constantly in attendance would be slackened, to say the least.

AUTHORIZING LONG-TERM TIME CHARTER OF TANKERS BY THE SECRETARY OF THE NAVY

Mr. ARENDS. Mr. Speaker, I call up the conference report on the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 23, 1954.)

Mr. ARENDS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

TRANSFERRING OF HOSPITAL AND HEALTH FACILITIES FOR INDIANS TO PUBLIC HEALTH SERVICE

Mr. MILLER of Nebraska. Mr. Speaker, I call up the conference report on the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 21, 1954.)

Mr. MILLER of Nebraska. Mr. Speaker, I yield such time as he may require to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, I consider this one of the most important pieces of legislation dealing with the health of Indians in this country. It certainly is necessary if we are going to give the Indians the health services that they need. The committee has done a great deal of work on the bill.

Because of shortage of medical personnel, the Bureau of Indians Affairs now operates a number of small hospitals with only a single medical officer on the staff and most of their other hospitals are seriously understaffed. With the prospective termination of the doctor draft the staffing problem may become still more serious in the future.

With a medical staff so limited as to require a deployment of one doctor per hospital, it is obvious that either the number of separate hospitals must be reduced or the quality of medical care in all hospitals will be seriously impaired. Under such circumstances, it would be wiser, from the standpoint of overall Indian needs, first, to close some of the small hospitals in areas where contract beds can be readily obtained in nearby community hospitals; and, second, to reassign the medical and other staff to Indian hospitals on reservations or other remote areas where there are no available community hospitals.

Apart from the problem of proper utilization of limited medical manpower, there may well be local situations which indicate the need for hospital closures. As a result of reduced patient loads in some hospitals serving dwindling Indian populations, the cost of maintaining a separate hospital may be exhorbitant. It is reported, for example, that 1 of Bureau of Indian Affairs hospitals had an average patient census of only 11 during fiscal year 1953 and that there are currently only 6 patients in the hospital. The resulting per diem cost per patient of $25.50 in 1953—with a much higher cost, probably doubled, indicated for 1954—can hardly be justified if there are, as reported, adequate beds in nearby community hospitals in which excellent care could be purchased under contract.

Some of the Indian hospital buildings are old and decrepit and cannot long be maintained in a safe condition. If there are adequate beds available in readily accessible community hospitals, the construction of a new hospital building could not be justified. In such cases closure of the Indian hospital may be necessary.

It should be noted here that closure of a hospital would not necessarily mean termination of all direct Federal medical care services. It might be feasible and desirable in some or all cases to contract for hospital care but to operate an outpatient clinic and/or nursing care unit staffed by Public Health Service personnel supplemented by the part-time services of local physicians on a contract basis. This would permit a better quality of hospital care than can possibly be provided in a one-man hospital without terminating all personal health service facilities operated exclusively for the Indian population of the community. It would also make it easier to recruit and retain medical personnel for Indian hospitals, for doctors are not attracted

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 29, 1954
For actions of July 28, 1954
83rd-2nd, No. 143

CONTENTS

Appropriations.....20
Assistant Secretary.....12
Atomic energy.....6
Banking & currency.....4
CCC.....3
Drought relief.....15
Expenditures.....20,21
Export-Import Bank.....4
Farm program.....7,16,23
Foreign aid.....1,11
Forests & forestry.....26
Health insurance.....18
Housing, farm.....10
Incentive awards.....13
Lands.....22
  reclamation.....5
Livestock.....24
Loans, farm.....9,10
Monopolies.....14
Nomination.....12
Personnel.....13,18
Potatoes.....16
Prices, support.....25
Soil conservation.....2
Tariffs.....17
Taxation.....2
Trade agreements.....8
Water conservation.....2
Water facilities.....9
Watershed protection....19
Wildlife.....22
Wool.....24

HIGHLIGHTS: House passed mutual security appropriation bill. House agreed to conference report on tax revision bill. Senate concurred in House amendments to water-facilities loans bill. Senate agreed to conference report on housing bill. House debated bill to increase CCC borrowing power. Senate debated mutual security authorization bill. Senate confirmed Butz nomination. Senate committee reported bill for uniform system of incentive awards. Sens. Butler and Kuchel criticized rigid price supports. Sens. Symington urged drought relief. Rep. Hope explained watershed bill.

HOUSE

1. MUTUAL SECURITY APPROPRIATION BILL, 1955. Passed, 266-128, with amendments this bill, H. R. 10051 (pp. 11757-8).

2. TAXATION. By a 315-77 vote, agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11758-67, 11769). The bill includes a provision allowing farmers to deduct expenditures for soil-water conservation as expense rather than capitalization.

3. COMMODITY CREDIT CORPORATION. Began debate on H. R. 9756, increasing the borrowing power of CCC from $8,500,000,000 to $10,000,000,000. Rejected, 29-53, an amendment by Rep. Patman to prohibit CCC from financing outside the Treasury at an interest cost greater than 1¼ times its cost of financing with the Treasury on borrowings of comparable maturity. Rejected, by a division vote of 72 to 5, a motion by Rep. Multer to recommit the bill with instructions for the insertion of this amendment. Rep. Javits objected to this report on the ground that a quorum was not present, and the matter is to be considered further today. (pp. 11787-95).

4. EXPORT-IMPORT BANK. Passed without amendment S. 3589, to provide for independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the Bank on the National Advisory Council on International

Monetary and Financial Problems, and to increase the Bank's lending authority (p. 11787). This bill will now be sent to the President.

5. RECLAMATION. Rejected, 188-196, a resolution for consideration of H. R. 236, to authorize the Fryingpan-Arkansas project, Colo. (pp. 11777-87).

6. ATOMIC ENERGY. House and Senate conferees were appointed on H. R. 9757, the atomic energy bill (pp. 11771, 11872).

7. FARM PROGRAM. Rep. Madden criticized the Administration's farm program (p. 11801).

8. TRADE AGREEMENTS. Rep. Saylor criticized GATT and administration of the trade-agreements law (pp. 11801-5).

SENATE

9. WATER-FACILITIES LOANS. Concurred in the House amendments to S. 3137, to amend the Water Facilities Act so as to extend the program to the entire country, increase the authorized amount of individual loans, permit insured loans, and authorize loans for soil-conservation purposes (p. 11886). This bill will now be sent to the President.

10. HOUSING. By a 59-21 vote, agreed to the conference report on H. R. 7839, the omnibus housing bill (pp. 11824-66, 11868-70, 11873-84). This bill will now be sent to the President. The bill includes authorization of $100,000,000 additional for the farm housing program administered by this Department, together with additional authorizations for contributions under this program.

11. FOREIGN AID. Began debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11814, 11818-24, 11886-7).

12. NOMINATION of Earl L. Butz, to be Assistant Secretary of Agriculture, was unanimously confirmed without debate (p. 11817).

13. INCENTIVE AWARDS. The Post Office and Civil Service Committee reported with amendments H. R. 7774, to establish a uniform system for granting incentive awards to officers and employees of the Government (S. Rept. 1993)(p. 11809).

14. MONOPOLIES. The Rules and Administration Committee reported with additional amendment S. Res. 14, authorizing a study of the antitrust laws and their administration, interpretation, and effect (S. Rept. 1989)(p. 11809).

15. DROUGHT RELIEF. Sen. Symington urged immediate drought relief for Mo., and Sen. Hennings inserted his statement on the matter (pp. 11812-3).

16. FARM PROGRAM. Sen. Knowland announced that S. 3052, the farm program bill, is to be taken up immediately after disposition of the foreign aid bill, but that debate on the farm bill will be interrupted by consideration of the tax bill and, on Sat., by a call of the calendar. He stated further: "Undoubtedly we shall continue debate on the farm bill in the early part of next week, even though that bill is to be made the unfinished business this week, for the opening of the debate on it." (p. 11814.)

Sen. Williams submitted an amendment which he intends to propose to the bill (p. 11809).

Sen. Butler criticized high, rigid price supports and inserted a Baltimore Sun article, "Bonuses for Crops Nobody Wants" (p. 11810).

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, SECOND SESSION

Vol. 100 WASHINGTON, WEDNESDAY, JULY 28, 1954 No. 143

House of Representatives

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all goodness, in the morning hour of this new day may we feel the divine urge to perform our tasks and responsibilities with a full measure of fidelity and devotion.

Grant that in the terrific moral and spiritual struggles of our generation we may never manifest a spirit of surrender or betrayal of lofty principles.

Inspire us daily with that resolute and invincible spirit which knows how to meet great issues with faith and serenity.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MUTUAL SECURITY APPROPRIATION ACT, 1955

The SPEAKER. The unfinished business before the House is the question on the passage of the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

The question is on the passage of the bill.

Mr. RAYBURN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 128, not voting 38, as follows:

[Roll No. 120]

YEAS—266

Addonizio	Boland	Bush
Albert	Bolling	Byrd
Allen, Calif.	Bolton, Frances P.	Byrne, Pa.
Allen, Ill.	Bolton, Oliver P.	Campbell
Andersen, H. Carl	Bonin	Canfield
Arends	Bosch	Cannon
Aspinall	Bowler	Carnahan
Auchincloss	Boykin	Carrigg
Ayres	Brooks, Tex.	Celler
Baker	Brown, Ga.	Chelf
Barrett	Brownson	Chenoweth
Bates	Broyhill	Chiperfield
Becker	Buchanan	Chudoff
Bender	Burleson	Cole, N. Y.
Boggs	Cooley	Condon
Cooper	Howell	Pilcher
Corbett	Hunter	Pillion
Coudert	Hyde	Poage
Cretella	Ikard	Poff
Crosser	Jackson	Polk
Cunningham	James	Preston
Curtis, Mass.	Jarman	Price
Dague	Javits	Prouty
Davis, Ga.	Jenkins	Rabaut
Dawson, Ill.	Johnson, Calif.	Radwan
Dawson, Utah	Johnson, Wis.	Rains
Deane	Jones, Ala.	Ray
Delaney	Jones, Mo.	Rayburn
Derounian	Judd	Reams
Devereux	Karsten, Mo.	Rhodes, Ariz.
D'Ewart	Kean	Rhodes, Pa.
Dingell	Kearney	Richards
Dodd	Keating	Riehlman
Dollinger	Kee	Riley
Donohue	Kelley, Pa.	Roberts
Donovan	Kelly, N. Y.	Robsion, Ky.
Dorn, N. Y.	Keogh	Rodino
Doyle	Kersten, Wis	Rogers, Colo.
Durham	Kilday	Rogers, Fla.
Eberharter	King, Calif.	Rogers, Mass.
Edmondson	Kirwan	Rooney
Elliott	Klein	Sadlak
Ellsworth	Kluczynski	St. George
Engle	Lane	Saylor
Evins	Lanham	Scott
Fallon	Lantaff	Scudder
Feighan	Latham	Seely-Brown
Fenton	LeCompte	Shelley
Fernandez	Lesinski	Sheppard
Fine	Lipscomb	Sieminski
Fino	McCarthy	Simpson, Pa.
Fogarty	McConnell	Small
Forand	McCormack	Smith, Miss.
Ford	McDonough	Spence
Forrester	Mack, Ill.	Springer
Fountain	Madden	Staggers
Frazier	Magnuson	Stauffer
Frelinghuysen	Mahon	Steed
Friedel	Marshall	Sullivan
Fulton	Matthews	Taber
Garmatz	Meader	Taylor
Gary	Merrill	Thompson, Tex.
Gathings	Merrow	Thornberry
Golden	Metcalf	Tollefson
Goodwin	Miller, Calif.	Trimble
Gordon	Miller, Kans.	Vorys
Graham	Miller, Md.	Vursell
Granahan	Miller, N. Y.	Wainwright
Green	Mollohan	Walter
Gregory	Morano	Wampler
Gubser	Morgan	Warburton
Hagen, Calif.	Moss	Watts
Hale	Multer	Westland
Halleck	Mumma	Wharton
Harden	Natcher	Wickersham
Hardy	Norblad	Widnall
Hart	Oakman	Wier
Hays, Ark.	O'Brien, Ill.	Wigglesworth
Hays, Ohio	O'Brien, N. Y.	Williams, N. J.
Heselton	O'Hara, Ill.	Williams, N. Y.
Hess	O'Neill	Wilson, Calif.
Hill	Osmers	Wilson, Ind.
Hillings	Ostertag	Wolcott
Holifield	Patman	Wolverton
Holmes	Patterson	Yates
Holt	Pelly	Yorty
Holtzman	Perkins	Younger
Hope	Pfost	Zablocki
Hosmer	Philbin	

NAYS—128

Abbitt	Dowdy	Nicholson
Abernethy	Fisher	Norrell
Adair	Gavin	O'Hara, Minn.
Alexander	Gentry	O'Konski
Andresen, August H.	George	Passman
Andrews	Grant	Patten
Ashmore	Gross	Phillips
Bailey	Gwinn	Reece, Tenn.
Barden	Hagen, Minn.	Reed, Ill.
Battle	Haley	Reed, N. Y.
Beamer	Hand	Rees, Kans.
Belcher	Harrison, Nebr.	Rivers
Bennett, Fla.	Harrison, Va.	Robeson, Va.
Bennett, Mich.	Harvey	Rogers, Tex.
Bentley	Herlong	Schenck
Berry	Hiestand	Scherer
Betts	Hillelson	Scrivner
Bishop	Hoffman, Ill.	Selden
Bonner	Hoffman, Mich.	Shafer
Bow	Horan	Sheehan
Bramblett	Hruska	Shuford
Bray	Jensen	Sikes
Brown, Ohio	Jonas, Ill.	Simpson, Ill.
Budge	Jonas, N. C.	Smith, Kans.
Burdick	Jones, N. C.	Smith, Va.
Busbey	Kearns	Smith, Wis.
Byrnes, Wis.	King, Pa.	Stringfellow
Carlyle	Knox	Talle
Cederberg	Krueger	Thomas
Church	Laird	Thompson, Mich.
Clardy	Landrum	Tuck
Cleveriger	Lovre	Utt
Cole, Mo.	McCulloch	Van Pelt
Colmer	McGregor	Van Zandt
Coon	McIntire	Velde
Crumpacker	McMillan	Whitten
Curtis, Mo.	McVey	Williams, Miss.
Davis, Wis.	Mack, Wash.	Wilson, Tex.
Dempsey	Martin, Iowa	Winstead
Dies	Mason	Withrow
Dolliver	Miller, Nebr.	Young
Dondero	Mills	
Dorn, S. C.	Moulder	
	Neal	

NOT VOTING—38

Angell	Hinshaw	Priest
Bentsen	Hoeven	Regan
Blatnik	Kilburn	Roosevelt
Brooks, La.	Long	Secrest
Buckley	Lucas	Short
Chatham	Lyle	Sutton
Cotton	Machrowicz	Teague
Curtis, Nebr.	Mailliard	Thompson, La.
Davis, Tenn.	Morrison	Vinson
Gamble	Murray	Weichel
Harris	Nelson	Wheeler
Harrison, Wyo.	O'Brien, Mich.	Willis
Hébert	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Kilburn for, with Mr. Hoeven against.

Mr. Vinson for, with Mr. Bentsen against.

Mr. Roosevelt for, with Mr. Curtis of Nebraska against.

Mr. Hébert for, with Mr. Weichel against.

Mr. Buckley for, with Mr. Harrison of Wyoming against.
Mr. Machrowicz for, with Mr. Lyle against.

Until further notice:
Mr. Angell with Mr. Morrison.
Mr. Hinshaw with Mr. Willis.
Mr. Mailliard with Mr. Thompson of Louisiana.
Mr. Nelson with Mr. O'Brien of Michigan.
Mr. Gamble with Mr. Powell.
Mr. Cotton with Mr. Chatham.

Mr. STAUFFER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

INTERNAL REVENUE CODE OF 1954

Mr. REED of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 8300) to revise the internal revenue laws of the United States, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, and it is not my purpose to object to dispensing with reading of the entire report, but, Mr. Speaker, I have in mind making a point of order against the conference report. As I understand it, the proper time to present that is before commencement of the reading of the statement. If that be so I must object at this time.

The SPEAKER. This is the proper time for the gentleman to object if he is going to.

Mr. EBERHARTER. Mr. Speaker, I object to the reading of the statement in lieu of the conference report.

The SPEAKER. What is the gentleman's point of order?

Mr. EBERHARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, I think the proper order of business now is the reading of the conference report.

The SPEAKER. The Clerk will read the conference report.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, would it be possible for the gentleman's point of order to be in order, even though the reading of the entire report is dispensed with?

The SPEAKER. The Chair may say that without objection the report can be considered read, and the gentleman then may make his point of order. Is there objection to that procedure?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, the first point of order I wish to offer to the conference report is that a copy of the House bill is not before the House.

The SPEAKER. A copy of the report is not before the House?

Mr. EBERHARTER. A copy of the House bill, H. R. 8300, is not before the House. Members cannot obtain a copy of the House bill.

The SPEAKER. The subject matter before the House is the conference report, rather than the bill as such.

Mr. EBERHARTER. Mr. Speaker, if I may discuss the matter, under section 6518, chapter 527, I think it is, volume 5 of Cannon's Precedents, it is stated that the House bill with the Senate amendments must be on the floor of the House for consideration. As I see it, the Members are unable to obtain copies of the House bill.

The SPEAKER. The Chair will say that both the bill and the conference report are here. The precedent in volume 5, section 6518, of Hinds Precedents requires the official papers—the House bill and the Senate amendment—to be here. They are here at the desk at this moment, and there is no requirement that each Member have a copy. The point of order is overruled.

Mr. EBERHARTER. Will the Chair indulge me in the making of my point of order until I obtain a copy and until other Members may obtain a copy of the House bill?

The SPEAKER. The Chair will say that the copy is here.

Mr. EBERHARTER. Mr. Speaker, a further point of order. In the CONGRESSIONAL RECORD and in the printing of the report there are differences in the printing of the report in the RECORD as compared with the conference report as printed here.

The SPEAKER. Will the gentleman outline those differences?

Mr. EBERHARTER. Mr. Speaker, in the RECORD which I have before me, page 11448, third column, second paragraph in the conference report the RECORD reads "110a" whereas the conference report reads "110."

The SPEAKER. Are there any other differences?

Mr. EBERHARTER. Mr. Speaker, I have on the way over from my office other instances where the RECORD and printing do not agree.

The SPEAKER. In reference to the point of order, the Chair will say that the conference report states that the House should recede from disagreement to amendment No. 110 and the RECORD, in the third column of page 11448, also indicates a recommendation that the House recede from its disagreement to amendment No. 110. Therefore, the Chair must overrule the point of order. Are there any other points of order?

Mr. EBERHARTER. Mr. Speaker, inasmuch as it is necessary for me to await the arrival of some papers, I will object to the reading of the statement in lieu of the report. I ask that the conference report be read.

The SPEAKER. The conference report has been considered as read.

Mr. EBERHARTER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. I object to the reading of the statement in lieu of the report.

The SPEAKER. The House, by unanimous consent, gave permission for the report to be considered as read, with the understanding that the gentleman could make his point of order. The report has now been considered as read.

The gentleman from New York [Mr. REED] is recognized for 1 hour.

(Mr. REED of New York asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. REED of New York. Mr. Speaker, I hope that I may have the attention of the House. It is not often, if ever, that I have asked the House to listen to what I have to say. But, we are dealing here with a very important and carefully prepared piece of legislation.

Mr. Speaker, I call up the conference report on the bill (H. R. 8300) to revise the internal-revenue laws of the United States and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

Mr. Speaker, the conference report on H. R. 8300 culminates one of the most monumental legislative tasks ever undertaken by the Congress. It represents the fruit of hundreds of thousands of man-hours of work, spread over many months of intensive staff study, many weeks of public hearings, and many long weeks of executive consideration. In addition, thousands of private individuals throughout the United States have given unstintingly of their time and effort to this great undertaking. Their suggestions and their constructive criticisms have played a large part in the tax-revision project.

Above all, I must pay tribute to each of the 25 members of the Ways and Means Committee. Their devotion to this task has been without parallel in my experience. Certainly no job could be more exacting than that of technical tax revision. The members of our committee—both the majority and minority—measured up to the task in magnificent fashion.

As the bill was reported by the Ways and Means Committee and passed by the House, it was recognized that much technical work of a perfecting nature still needed to be done. This was particularly true in view of the fact that our committee did not hold public hearings on the finished bill. The public, especially the members of the tax profession, received the opportunity to be heard in the other body.

As a result, 553 amendments were adopted by the Senate. The large numbers of these amendments is evidence of the tremendous scope of the bill. However, the great bulk of the Senate amendments are merely clerical, technical, or conforming in nature, and only 173 of the amendments can be considered truly substantive. These are all explained fully in the conference report which has already been printed in the RECORD.

Many of the Senate amendments represent needed improvements in the House bill. A number represent further liberalizations in certain of the relief provisions—for example, in the provision pertaining to working mothers. A number of the Senate amendments represent

83D CONGRESS
2D SESSION

H. R. 10051

IN THE SENATE OF THE UNITED STATES

JULY 29 (legislative day, JULY 2), 1954
Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1955, namely:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law , approved 1954 (H. R. 9678), as follows:

Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated bal-

ances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,825,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76,000,000, plus not to exceed $39,000,000 of unobligated balances: *Provided,* That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further,* That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.

Southeast Asia and the Western Pacific: For assistance authorized by section 121, $712,000,000;

Common-use items: For assistance authorized by section 123, $64,000,000;

Defense support, Europe: For assistance authorized by section 131 (b) (1), $45,000,000;

Special assistance in joint control areas in Europe, $25,000,000;

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), $73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), $86,000,000;

Korean program: For assistance authorized by section 132 (except subsection (c)), $200,000,000;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), $3,000,000, and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), $115,000,000;

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Development assistance, American Republics and nonself-governing territories of the Western Hemisphere: For assistance authorized by section 201 (a) (3), $9,000,000;

Technical cooperation, general authorization: For assistance authorized by section 303, $100,000,000;

Contributions for programs of the Organization of American States: For contributions authorized by section 305 (b), $1,500,000;

Contributions to the Intergovernmental Committee fo European Migration: For contributions authorized by section 405 (a), $10,000,000, and in addition, not to exceed

$500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants";

Contributions to the United Nations children's fund: For contributions authorized by section 406, $12,000,000 which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: Not to exceed $23,063,250 of the unobligated balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407;

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, $3,169,000;

Ocean freight charges: For payments authorized by section 409, $4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,075,000;

Administrative expenses: For expenses authorized by section 411, $30,000,000.

GENERAL PROVISIONS

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign

Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and $1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed $15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed $50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount there-

in specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act administered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not

otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided,* That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further,* That none of the funds provided herein shall be used to pay any employee a basic salary of $12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of $12,000 or more per annum on June 30, 1953: *Provided further,* That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of

such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the

Senate and House of Representatives at least twice annually.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act, and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953.

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any re-

cipient country to make payment on such debts: *Provided*, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

SEC. 108. Not more than 20 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

SEC. 109. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the

overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be

in addition to, and not in substitution for, any other provisions of existing law.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

Passed the House of Representatives July 28, 1954.

Attest: LYLE O. SNADER,

Clerk.

83D CONGRESS
2D SESSION

H. R. 10051

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

JULY 29 (legislative day, JULY 2), 1954
Read twice and referred to the Committee on Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 9, 1954
For actions of August 6 and 7, 1954
83rd-2nd, Nos. 151 and 152

CONTENTS

Acreage allotments.....11	Foreign aid.....3,9	Research.....10
Adjournment.....17	Forestry.....8;20	Soil conservation.....18
Appropriations.....3	Lands, reclamation....7,13	Surplus property.....4
Customs laws 5	Loans, farm.....2	Tariffs.....5
Drought relief.....3,12	Marketing quotas.....11	Water facilities.....14
Farm program.....1,11	Personnel.....16,19,21	Water resources.....6
Foreign affairs.....15	Prices, support.....1,11	

HIGHLIGHTS: Senate debated farm program bill and agreed to limit debate. Senate committees reported foreign-aid, appropriation and customs simplification bills. Sens. Hennings and Thye criticized drought-relief program.

SENATE - AUG. 6

1. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12864-94, 12896-941). Agreed that, beginning Mon., debate on the Aiken amendment (providing for flexible supports) be limited to 5 hours, that debate on other amendments be limited to 2 hours each, and that debate on the bill itself be limited to 3 hours (pp. 12910-11). Sen. Knowland said it is unlikely that any vote will be taken before 5 p. m. Mon. (pp. 12909-10).

2. FARM LOANS. Senate conferees were appointed on H. R. 8152, to continue the direct home and farmhouse loan authority of VA (p. 12896). House conferees have been appointed.

3. FOREIGN-AID APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 10051 (S. Rept. 2268)(p. 12859). The "Daily Digest" states, "As approved by the committee, the bill would provide total funds of $2,990,824,816, an increase of $94,880,816 over the House-passed figure of $2,895,944,000" (p. D954).

4. SURPLUS PROPERTY. The Government Operations Committee reported with amendment S. 3772, to provide for payment of appraisers', auctioneers', and brokers' fees from the proceeds of disposal of Government surplus real property (S. Rept. 2314)(p. 12859).

5. CUSTOMS SIMPLIFICATION. The Finance Committee reported with amendments H. R. 10009, to provide for review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, etc. (S. Rept. 2326)(p. 12942).

6. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendment S. 2821, consenting to an interstate compact for disposition of waters of the Missouri River Basin (S. Rept. 2322)(p. 12859).

This Committee ordered reported without amendment H. R. 2843, authorizing the Interior Department to investigate the water resources of Hawaii (p.D955).

7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5499, to authorize the Michaud Flats project, Idaho (S. Rept. 2320) (p. 12859).

8. FORESTRY. Sen. Humphrey maintained that various conservation organizations are against the revised stockmen's grazing bill (pp. 12894-5).

9. FOREIGN AID. Sen. Wiley spoke in favor of the foreign-aid program (pp. 12895-6).

10. RESEARCH. Sen. Wiley recommended Government actions to encourage more adequate Government use of scientific manpower (pp. 12862-3).

SENATE - August 7

11. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12949-64, 12968-84, 12986-3013, 13018-23). Sen. Aiken submitted an amendment, and Sen. Douglas submitted amendments, which they intend to propose to this bill (p. 12947).

On Aug. 4 Sen. Holland submitted seven amendments which he intends to propose to this bill. The amendments would (1) require particular consideration to a balance between soil-conserving and soil-depleting crops in ACP; (2) provide for 90% price supports for any basic crop for which marketing quotas are in effect immediately following a crop for which marketing quotas were not in effect; (3) prohibit ACP payments to persons who knowingly plant a basic commodity in excess of the farm acreage allotment; (this now pertains only to cotton); (4) require that, when limitations on the use of diverted acres are necessary to prevent excessive supplies, the producer may not produce for sale on acreage diverted from crops receiving price support, or may so produce only within limitations; (5) require the Secretary, whenever he finds the application of restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity, to establish with respect to the imported commodity such grade, size, etc., by varieties, type, etc., as he finds will be equivalent to those imposed upon the domestic commodity; (6) delete proposed authority in the bill to give the Secretary authority to fix (in addition to providing a method for fixing) the size, capacity, etc., of containers which may be used in packaging, transportation, etc., of any fresh or dried fruits, vegetables, or tree nuts, providing the action does not conflict with the Standard Containers Acts; and (7) delete the requirement that "a majority of" the processors approve marketing orders for grapefruit for canning or freezing (but not the canned or frozen product) before marketing orders may be made applicable therefor.

Calendar No. 2343

83D CONGRESS, 2d Session | SENATE | REPORT No. 2268

MUTUAL SECURITY APPROPRIATION BILL, 1955

AUGUST 6 (legislative day, AUGUST 5), 1954.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 10051]

The Committee on Appropriations, to whom was referred the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$2, 895, 944, 000
Amount of increase by Senate	94, 880, 816
Amount of bill as reported to the Senate	2, 990, 824, 816
Amount of estimates, 1955	3, 438, 549, 805
Amount of appropriations, 1954	4, 531, 507, 000

The bill as reported to the Senate:

Under the estimates for 1955	447, 724, 989
Under the appropriations for 1954	1, 540, 682, 184

42006—54——1

Comparative statement of budget estimate, House allowance and Senate committee recommendation

Title and section	Budget estimate, 1955	Passed by House	Senate committee recommendation
Title I—Mutual defense assistance:			
Ch. 1—Military assistance:			
Sec. 103—General authorization	$1,430,300,000	$1,265,300,000	$1,270,000,000
Sec. 104—Infrastructure	122,700,000	76,000,000	122,700,000
Sec. 105—Development of weapons of advanced design	27,000,000	----------	(1)
Total, ch. 1	1,580,000,000	1,341,300,000	1,392,700,000
Ch. 2—Southeast Asia, and the western Pacific, and direct forces support:			
Sec. 121—Southeast Asia and the western Pacific	800,000,000	712,000,000	700,000,000
Sec. 122—Production for forces support	75,000,000	----------	35,000,000
Sec. 123—Common-use items	70,000,000	64,000,000	60,000,000
Total, ch. 2	945,000,000	776,000,000	795,000,000
Ch. 3—Defense support:			
Sec. 131 (b):			
(1) Europe (excluding Greece and Turkey)	77,500,000	45,000,000	45,000,000
Special assistance in joint control areas in Europe	----------	25,000,000	25,000,000
(2) Near East, Africa, and south Asia (including Greece and Turkey)	81,850,000	73,000,000	73,000,000
(3) Far East and the Pacific	96,430,000	86,000,000	80,098,195
Sec. 132:			
(a) Korean program	230,000,000	200,000,000	205,000,000
(c) United Nations Korean Reconstruction Agency	3,452,615	3,000,000	3,000,000
Total ch. 3	489,232,615	432,000,000	431,098,195
Total, title I	3,014,232,615	2,549,300,000	2,618,798,195
Title II—Development assistance:			
Sec. 201 (a):			
(1) Near East and Africa	130,000,000	115,000,000	115,000,000
(2) South Asia	85,000,000	60,500,000	60,500,000
(3) American Republics	9,000,000	9,000,000	9,000,000
(-) European Coal and Steel Community loan	----------	----------	----------
Total, title II	224,000,000	184,500,000	184,500,000
Title III—Technical cooperation:			
Sec. 303—Authorization	112,070,000	100,000,000	110,000,000
Sec. 305—Multilateral technical cooperation:			
(a) United Nations expanded program of technical assistance	17,958,000	----------	9,957,621
(b) Organization of American States	1,500,000	1,500,000	1,500,000
Total, title III	131,528,000	101,500,000	121,457,621
Title IV—Other programs:			
Sec. 403—Special assistance in joint control areas (see ch. III)	----------	----------	----------
Sec. 405—Movement of migrants and refugees:			
(a) Intergovernmental Committee for European Migration (ICEM)	11,189,190	10,000,000	10,600,000
(c) United Nations Refugee Emergency Fund	500,000	----------	400,000
Sec. 406—Children's welfare	13,500,000	12,000,000	13,500,000
Sec. 407—Palestine refugees in the Near East (language only)	----------	----------	----------
Sec. 408—North Atlantic Treaty Organization	3,200,000	3,169,000	1,169,000
Sec. 409—Ocean freight charges	4,400,000	4,400,000	4,400,000
Sec. 410—Control act expenses	1,300,000	1,075,000	1,300,000
Sec. 411—Administrative expenses (other than title I) ch. 1	34,700,000	30,000,000	34,700,000
Sec. 412—Strategic materials	----------	----------	----------
Total, title IV	68,789,190	60,644,000	66,069,000
Grand total—all titles	3,438,549,805	2,895,944,000	2,990,824,816

[1] Included in general military figures.

GENERAL STATEMENT

The fiscal year 1955 marks the seventh year of the foreign-aid program. Its basic purpose was to aid in absorbing some of the shock of war upon the economies of many countries and enable them to get back on their feet. There was, of course, the additional purpose of providing them with military aid that they might become effective allies in maintaining the concepts of the free world.

In the early years of the program, there was a strong accent on relief and economic aid. Not only was this necessary but in fact imperative because of the effect of war damage, depreciated currencies, languishing trade, burdensome debts, dwindling reserves, and other factors which made it difficult to restore the general economy of these nations to a self-functioning basis. Little by little, stability and vitality has been restored to such countries so that the emphasis of the program could be largely shifted to military assistance. This change of emphasis is manifest from the fact that where economic aid totaled $4,400,000,000 at its peak in 1948, only $184,500,000 are included in the instant bill for such aid, under the caption of "Development Assistance." Virtually all of the funds appropriated for this purpose will be devoted to India and to countries in the Near East area.

Provision is made also for the program of technical cooperation to give to underdeveloped areas the benefits of American skill, know-how, and scientific progress. The amount carried for this purpose is widely diffused over a world area and requires not only that countries initiate the programs to be carried on but that they participate in the cost as well.

In addition to the military, economic, and technical phases of the program, the bill includes funds for migrant and refugee programs, the child welfare program, administrative expenses, ocean freight charges and the joint-control program which deals with the control of shipment of strategic and critical materials to Iron Curtain countries.

Hearings

The recommendations submitted by the committee are based on the most detailed and voluminous data which was presented by the Foreign Operations Administration, the Defense Department, and the State Department. In the course of the hearings, the committee had the benefit of testimony by Secretary of State Dulles, Administrator Stassen, General Gruenther, Admiral Radford, and General Van Fleet. Much of the testimony was off-the-record for obvious reasons and accounts for the fact that the printed hearings may not be too revealing with respect to some of the provisions in the bill. In addition the committee had available for reference the hearings and reports of both the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House.

Agricultural Surpluses

The attention of the Senate is directed to certain tables in the hearings setting forth by country and commodity, how section 550 of the 1954 act was administered, with respect to surplus agricultural commodities. For the last fiscal year, the surplus commodity program

totaled $245 million and for fiscal 1955, it is estimated that $350 million in surpluses will be utilized over a wide area. In addition to the provisions in this bill for the disposition of commodities wherever feasible and practicable, it should be pointed out that the Agricultural Assistance and Development Act enacted by this Congress contains authority for the disposition of an additional $700 million in surplus commodities under certain conditions and it is expected that this new program on a quid pro quo basis will displace all other programs which have been carried on on a grant basis.

Far East and the Pacific

After the estimates had been prepared and submitted to the committee, the situation in Indochina became crucial and eventuated in the truce now in effect, some of the terms of which are rather nebulous and subject to further interpretation. It is obvious, however, that new strategic concepts must be considered in anticipation of new pressure points in the Far East which may require a shift of emphasis in the military program. It must be evident also that the changing condition in the Far East in its relation to our own security requires abundant flexibility in administering the program so that it can be adapted to whatever circumstances may arise. This aspect of the problem in the Pacific was quite carefully explored by the committee in the course of which, the views of our military leaders were presented and considered.

EUROPEAN DEFENSE COMMUNITY

The committee notes the difficult situation which has arisen with respect to Germany, owing to the continued delay in French ratification of the EDC. In reviewing the situation, the committee found that in May 1952 two sets of agreements or treaties were signed in Bonn and Paris, under one of which (the contractual conventions signed by the United States, United Kingdom, France, and the Federal Republic) Germany would regain its sovereignty, and under the other (the EDC Treaty signed by France, Federal Republic, Italy, and Benelux) Germany would be rearmed within the framework of a six-nation defense community. These EDC forces would be under the command of General Gruenther. The contractual conventions have been ratified by three of the parties but not by France. The EDC has been ratified by four of the parties but not by France or Italy. It is obvious that these developments may have serious consequences, particularly if the continued delays on the part of France result in alienating Germany.

The committee hopes that the President will move forward in the near future with plans for restoration of German sovereignty as contemplated by the contractuals, even though more time should be required to resolve the problem of a German defense contribution. This may require separation of the contractual conventions and the EDC Treaty, which are now linked together by article 11 of the Convention on Relations.

The separation of the two agreements by no means amounts to abandonment or an alternative to EDC, but would permit the United States to make progress toward both objectives without the handicap of implementation of the one being held up until rati-

fication of the other. It is the earnest hope and expectation of the committee that the French Assembly will ratify the EDC Treaty before it adjourns. If this happens, the German contribution to defense, made through the European Defense Community, will amount to 12 divisions, air units, and a small naval contingent. These German contingents will serve as part of the proposed European army, known as the European Defense Force, alongside forces from France, Italy, and the Benelux countries. The creation and maintenance of these forces will be financed and administered by the Commissariat of the EDC to which the member countries will contribute financial support. At present pending the coming into force of the EDC, Germany's contribution to defense consists primarily of her support of Allied occupation forces which is the equivalent of more than $1,700,000,000 per annum, of which United States forces receive approximately $770,000,000.

In the event of French rejection of the EDC, the committee urges the Administration to take all possible steps to insure a German defense contribution as near as practicable to that which would prevail if the EDC had been ratified.

EUROPEAN COAL AND STEEL COMMUNITY

It has been brought to the attention of the committee that the European Coal and Steel Community has circumvented and delimited markets of United States coal producers.

The United States coal industry is at present in a depressed condition and the committee does not favor additional loans to the European Coal and Steel Community. While there are no funds earmarked for this purpose in this year's appropriation in order to protect the export coal markets of the United States producers, the Administration is directed not to transfer funds from other sources for the granting of any additional loan to the European Coal and Steel Community.

UNEXPENDED FUNDS AND ACCOUNTING PROCEDURES

Last year this committee joined with the House Appropriations Committee in directing the General Accounting Office, the Bureau of the Budget, the Foreign Operations Administration and the Department of Defense to clarify the chaotic condition that existed in accounting for funds made available for military assistance purposes. Testimony at hearings before this committee and the House Appropriations Committee indicated that no improvement had been made since last year and the House committee has again found it necessary to direct the General Accounting Office to take action necessary to clarify the situation. This committee believes, however, that additional authority is necessary to accomplish the desired results and has therefore included section 109 in the bill.

Additionally, witnesses appearing before this committee indicated that one of the factors contributing substantially to the procedural difficulties was the necessity to administer the reappropriation of specific amounts of unobligated balances as provided for in the 1954 act and again this year in the House bill, particularly in view of the confusion with respect to obligations. These difficulties will continue

until appropriate action can be taken to clarify the obligational situation. In the meantime it is the belief of this committee that the program as a whole could move much more rapidly if unexpended balances are reappropriated. The committee does not believe it advisable, however, to give the Department of Defense unlimited authority in this regard but believes that the best method to handle this is to (1) provide some new additional funds, (2) appropriate the unexpended balances, and (3) specifically limit the amount of all of such funds that can be obligated during the fiscal year. The committee has therefore included entirely new language for the military assistance portion of the appropriation which, in its opinion, would give the Congress much better control over all the actions taken in this area during the next year.

The language appropriates all of the unexpended balances and limits the obligations for fiscal year 1955. The language reads:

Military Assistance: For military assistance as authorized by title I, chapter 1 $1,392,700,000 together with unexpended balances of appropriations heretofore made for military assistance: Provided, That not to exceed $3,932,092,283 may be obligated under this heading during fiscal year 1955, including not to exceed $3,770,392,283 for general military assistance as authorized by section 103, and not to exceed $161,700,000 for infrastructure as authorized by section 104 (a), and not to exceed $24,000,000 for administrative expenses to carry out the purposes of title I, chapter 1:

REPOSSESSED EQUIPMENT

The following provision has been included in the bill by the committee:

: Provided further, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: Provided further, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department.

Doubt has been expressed as to whether or not section 524 of the Mutual Security Act of 1951 as amended (sec. 511 of the authorizing bill passed by the Senate) makes absolutely clear that equipment repossessed from recipient nations because it can no longer be used for the purpose for which provided will be available to fill MDAP requirements in the amount specified in other countries. The proposed amendment is designed to remove any doubt on this question.

A very good example of this situation is presented by five naval vessels on which title has already passed to the French but which have not yet reached Indochina waters. It is the intention of the Department of Defense to repossess these vessels and the question arises whether or not the vessels would belong to the United States Navy or would be available to fill a requirement in the mutual defense assistance program in some country other than Indochina.

The amendment also provides that in the event the equipment repossessed is desired by one of the military services the MDAP account with that service would be credited with the value of the equipment.

CHAPTER I—MILITARY ASSISTANCE

General Authorization

For the general authorization, military assistance, the committee recommends an appropriation of $1,270,000,000 in new appropriations. Since the committee has recommended the continued availability of all unexpended funds, there will be available for this purpose in fiscal year 1955 a total of $3,770,392,283. The unobligated balance under this head is estimated to be $2,500,392,283.

Infrastructure

The committee recommends a new appropriation of $122,700,000 together with the unobligated balance of $39,000,000 for a total program of $161,700,000 for fiscal year 1955, the full amount of the budget estimate and an increase of $46,700,000 over the House bill.

CHAPTER II—DIRECT FORCES SUPPORT

Southeast Asia and the Western Pacific

The committee recommends a total appropriation of $700,000,000 for this purpose. This is the amount that was authorized in the Mutual Security Act of 1954.

Production for Forces Support

The object of this appropriation is to provide funds to finance production in the United Kingdom of aircraft for NATO-committed forces of the United Kingdom, primarily Canberras, Swifts, Valiants, and Vulcans. The budget estimate is in the amount of $75,000,000 and the House denied the request for funds stating the item had been eliminated from the authorization bill by the House. The committee recommends an appropriation of $35,000,000 which is the amount authorized to be appropriated in the authorization bill.

Common-Use Items

The committee recommends an appropriation of $60,000,000 for this purpose which is a reduction of $4,000,000 under the House bill and the amount of the ceiling in the authorization act. Funds under this head are used to cover the provision of certain civilian supply type items of equipment, materials, commodities, or services, required by the military forces of such countries as Turkey and Formosa in addition to the military assistance which they receive.

CHAPTER III—DEFENSE SUPPORT

The committee was advised that defense support differs from direct forces support in the following respect: Although both forms of assistance are designed to make possible the creation or maintenance of a certain level of military forces, direct forces support does so by providing, or paying for, goods or services that physically reach or benefit the forces involved, whereas, defense support contributes to this objective more indirectly through providing resources which either enable

the recipient country to maintain a level of defense expenditures or undertake defense activities that would otherwise not be possible, or increase the recipients' capacity to do so in the future.

Defense Support—Europe

The bill includes $45,000,000 for assistance authorized by section 131 (b) (1) for Spain and Yugoslavia.

Special Assistance in Joint Control Areas in Europe

The bill includes the $25,000,000 allowed by the House for western Berlin, the full amount of the budget estimate.

Near East, Africa, and South Asia

The bill includes $73,000,000 for this purpose the same amount that was allowed by the House. The aid under this head is for Greece, Pakistan, and Turkey.

Far East and Pacific

There is included in the bill $80,098,195 for assistance for Formosa, Philippines, and Indochina, which is the same amount that was allowed by the Authorization Act.

Korean Program

The bill includes the amount of $205,000,000 for this program which is an increase of $5,000,000 in new funds over the House bill. In addition, language has been included in the bill continuing available the unexpended funds contained in the appropriation "Relief and rehabilitation in Korea" and the unobligated balances in the appropriation under the head "Civilian relief in Korea."

United Nations Korean Reconstruction Agency

For this program the committee recommends an appropriation of $3,000,000 in new funds together with the estimated unobligated balances of $18,547,385 for a total of $21,547,385. The House allowed a total of $18,000,000.

DEVELOPMENT ASSISTANCE

Near East and Africa

The committee recommends an appropriation of $115,000,000 which is the amount allowed by the House under this head.

South Asia

The House recommended an appropriation of $60,500,000 for assistance to India. The committee concurs in the recommendation.

American Republics

The committee recommends the full amount of the budget estimate of $9,000,000. The entire amount is to be used to provide economic assistance to Bolivia.

TECHNICAL COOPERATION

General Authorization

The committee recommends an appropriation of $110,000,000 for this purpose which is an increase of $10,000,000 over the House bill. The budget estimate is in the amount of $112,070,000. $28,500,000 of the amount allowed is for the technical cooperation program in the other American Republics.

Multilateral Technical Cooperation

The committee recommends an appropriation of $9,957,621 for this item, a reduction of $8,000,000 in the budget estimate. The House denied the request entirely for this appropriation.

The sum of $9,957,621 is to cover the amount pledged by representatives of the United States to the United Nations expanded technical assistance program as the United States share of the cost of conducting the multilateral program during the calendar year 1954.

This appropriation is made with the understanding that no further pledge shall be made to the United Nations for the expanded technical assistance program by any representative of the United States Government without prior authorization by the Congress of the United States. This does not preclude the United States representatives from making recommendations to the committees.

This appropriation is made with the further understanding that a study will be instituted by the Senate Committee on Appropriations of the relationship of the United States Government to the whole multilateral technical assistance program, including consideration of the technical assistance work of all the international organizations in which the United States has membership, both under their regular programs and under the United Nations expanded technical assistance program. It is expected that the study will inquire into the effect that the United Nations expanded technical assistance program is having upon the functioning of the specialized agencies as they were established under terms of their separate constitutions and charters. It is further expected that the study will explore all reasonable alternatives to the present system of handling United States participation in the multilateral technical assistance program, including particularly that of making direct appropriations to the international organizations which do the technical assistance work, rather than in the form of a blank check to a central fund which is under the control of the United Nations, including nations controlled or dominated by the U. S. S. R. Such a study will include consultations with representatives of all of the departments of the executive branch of the United States Government which are concerned with the technical assistance work of the international organizations; with representatives of public organizations, such as farm, business, and labor groups; and with representatives of the international organizations, if that seems desirable, to determine whether duplication exists and to determine methods for giving Congress more adequate and immediate control over such appropriations and programs.

Organization of American States

The committee concurs in the action of the House in recommending an appropriation of $1,500,000, the full amount of the budget estimate for the technical cooperation programs of the Organization of American States.

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

The House provided a total appropriation of $10,500,000 for this program consisting of $10,000,000 in new funds and $500,000 in unobligated balances carried forward. The committee recommends that all unobligated balances in this title be brought forward. Such balances are estimated to be $510,810. The committee further recommends that new funds be provided in the amount of $10,600,000. The total program approved by the committee is $11,110,810 an increase of $610,810 over the House allowance. The following language amendment has been included in the bill:

: Provided, That no funds appropriated in this Act or any other Act shall be used to assist directly or indirectly in the migration of any person to any nation in the Western Hemisphere who shall not first have been thoroughly screened for security in accordance with standard identical with those standards contained in the United States Immigration and Nationality Act.

The committee recommends the inclusion of the section set forth above. The committee has been informed that the Brussels resolution under which the Intergovernmental Committee for European Migration is operating provides that the Migration Committee shall move only persons who are attached to the principles to which the member Governments subscribe. The committee believes that the political associations and philosophy of migrants moving to the Western Hemisphere is of equal if not greater importance than the numbers moved. The committee is therefore recommending language which provides that no part of the United States contribution to ICEM shall be used to move migrants to the Western Hemisphere unless such person shall have been thoroughly screened for security in accordance with the standards set forth in the United States Immigration and Nationality Act.

UNITED NATIONS REFUGEE EMERGENCY FUND

The committee considered a budget estimate in the amount of $500,000 for this fund. The committee recommends an appropriation of $400,000 which is one-third of the estimated requirements for the year. The House had provided no appropriation under this title. This fund, which was established in 1952, has been providing aid for destitute refugees whose relief needs are not being met adequately by the countries where they reside or through other programs. Up to the present a United States contribution has not been necessary since other sources of revenue, including the residual funds of the International Refugee Organization to which the United States had contributed, were available for this purpose. The funds have now been exhausted.

UNITED NATIONS CHILDREN'S FUND

The committee recommends an appropriation of $13,500,000 the full amount of the budget estimate and an increase of $1,500,000 over the House bill. The amount recommended by the committee consists of $9,000,000 for the complete United States contribution to the calendar year 1954 UNICEF program and $4,500,000 to provide funds for one-half of the United States contribution for calendar year 1955.

UNITED NATIONS RELIEF AND WORKS AGENCY

The budget estimate for this program, which is the Palestine refugee program, contemplated that the unobligated balances in this account be continued available. Language has been included in the bill continuing all such funds for another fiscal year. The amount estimated to be available is $23,063,250.

NORTH ATLANTIC TREATY ORGANIZATION

The committee recommends an appropriation of $1,169,000 for the United States contribution to the expenses of the civilian headquarters of NATO. The budget estimate is in the amount of $3,200,000 and includes $2,000,000 as the United States contribution toward the construction of a $5,000,000 permanent headquarters building for NATO in Paris. The $2,000,000 requested for this purpose is not approved by the committee.

ADMINISTRATIVE EXPENSES

Department of Defense

For administering the military assistance part of the mutual security program, the committee recommends a total of $24,000,000 which is an increase of $1,500,000 over the House and a reduction of $1,800,000 under the budget estimates. The additional funds are required to allow for expenses of new military assistance advisory groups in countries recently qualifying or expected to qualify in fiscal year 1955 for military assistance. Those countries are Spain, Japan, Egypt, Iran, Lebanon, Pakistan, Saudi Arabia, Honduras, Uruguay, El Salvador, Haiti, Nicaragua, and the Dominican Republic.

Foreign Operations Administration

The committee recommends a total of $34,700,000 for administering all other features of the mutual security program. This is the full amount of the budget estimate and an increase of $4,700,000 over the amount recommended by the House. The committee is of the opinion that with the billions of dollars being programed under this act a sufficient and competent staff should be available to administer it.

Control Act Expenses

The committee recommends the amount of the budget estimate of $1,300,000 an increase of $225,000 over the House bill. These funds are necessary for a worldwide program over the control of strategic materials going to the Soviet bloc.

SURPLUS STOCKS OWNED BY DEFENSE DEPARTMENT

It has been represented to the committee that the Department of Defense has in its possession large stocks of surplus soft goods. The committee recommends that the Secretary of Defense, the Secretary of Commerce, and the Director of the Foreign Operations Administration confer with the idea of utilizing these stocks in the mutual-security program in order to conserve funds and to preclude such surplus stocks from being placed on the American market to the detriment of the manufacturers and consumers alike.

ADMINISTRATION OF PROCUREMENT AND SHIPPING PROVISIONS

It appears from information presented to the committee that the method by which FOA has administered paragraph (a) (2), section 509, title 22, United States Code Annotated, which provides that:

* * * at least 50 per centum of the gross tonnage of commodities procured out of funds made available under this subchapter and transported to or from the United States on ocean vessels, * * * "must be transported on United States-flag vessels."

has operated in some instances to the disadvantage of United States suppliers.

The committee understands, particularly in the case of purchases of fertilizer for the Far East, that FOA has been requiring the evaluation of bids on the basis of landed cost and consequently the great bulk of the procurement has been placed with foreign producers who were not required to ship in United States vessels and consequently could deliver the material at a lower landed cost in the Far East than the United States producer, although their quoted price for the material, f. o. b. port of shipment, was higher than the quoted price of the American producer f. o. b. American port.

The committee feels that FOA should review its bidding and award procedures with a view to adjusting them in such manner as to enable United States suppliers to compete fairly with foreign suppliers insofar as prices of commodities themselves are concerned and to make necessary allowances for higher costs of shipping on United States-flag vessels.

LIMITATION ON USE OF FOREIGN CURRENCIES

Surplus Agricultural Commodities

Section 104 which was included in the bill by the House committee has been amended as indicated.

Sec. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act~~, and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953~~.

Under the provision which has been stricken by the committee, the administration would have been required to purchase local currency funds received under section 550 from the new appropriations contained in this bill before they could be used despite the express provision included in section 550. This would have the effect of penalizing those countries which are cooperating with the United States by purchasing surplus agricultural commodities.

Use of Foreign Currencies by Committees of Congress

The following additional language has been included in this section:

: Provided, That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) strike out "Committee on House Administration of the House of Representatives" and insert "Committee on Appropriations of the House of Representatives" and (2) strike out "Committee on Rules and Administration of the Senate" and insert "Committee on Appropriations of the Senate".

OFFSHORE PROCUREMENT

Section 107

The following provision, section 107, was inserted in the bill in the House. The committee recommends that the provision be stricken from this bill in view of the fact that section 103 (c) of the authorizing legislation provides the necessary safeguards sought by the Congress.

Sec. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

The committee was impressed with evidence presented from several sources protesting against procurement of certain types of civilian supplies and equipment through the offshore program. While the committee feels that the objectives sought by the administration in attempting to shore up the economy of our allies is commendable, there is strong feeling that this should not be done at the expense of those United States industries which are experiencing economic difficulties. Accordingly, the committee directs that the administration evaluate carefully all contracts made under the offshore procurement program and admonishes the administration to weigh carefully such factors in the letting of all contracts. It is further directed that quarterly reports be submitted to the committee listing, on an item-by-item basis including unit costs, all items procured through the offshore procurement program.

OBLIGATIONS IN LAST 2 MONTHS OF FISCAL YEAR

Section 108 included in the bill in the House has been amended as indicated:

SEC. 108. Not more than ~~20~~ *25* per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

The committee is sympathetic with the objectives sought to be accomplished by the House amendment but feels that this program which calls for much time-consuming negotiation with foreign countries warrants the permitting of a higher level of obligations during the latter months of the year.

ASSISTANCE TO SPAIN

The committee recommends that an additional $55,000,000 in economic aid be furnished to Spain. A new section under general provisions has been included in the bill. The section reads as follows:

SEC. 108. Of the $700,000,000 in surplus agricultural commodities authorized to be disposed of under provisions of the Agricultural Trade Development and Assistance Act of 1954, not less than $55,000,000 shall be provided to Spain during the current fiscal year: Provided, That 95 per centum of the foreign credits generated hereunder shall be used to strengthen and improve the civilian economy of Spain: Provided further, That the Commodity Credit Corporation shall be reimbursed for the assistance furnished under this section from unexpended balances available under the Mutual Security Act of 1954.

The committee believes that American bases now being constructed in Spain are vital to the defense of Western Europe and that a strong civilian economy in Spain is of the utmost necessity. Officials of the Foreign Operations Administration testified that the proposed defense support expenditure in Spain during fiscal 1955 was arrived at prior to a very damaging frost which practically ruined the citrus crop. Members of the committee were advised informally that there would be need for increasing aid as a result of this frost and other factors.

The committee is of the opinion that Spain's civilian economy must be strengthened so that this country can perform its agreed mission in defense of the free world. The committee therefore recommends that additional aid be given to Spain, that such aid be in the form of surplus commodities to be purchased by FOA from the Commodity Credit Corporation and that 95 percent of the foreign credits resulting from this transaction be used to strengthen the civilian economy of Spain. The balance of 5 percent of foreign credits is reserved for United States expenses.

VALIDATING LANGUAGE

The following customary validating language has been included in the bill by the committee.

SEC. 110. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.

TRAVEL—SECTION 416 OF AUTHORIZING LEGISLATION

A section has been included under "General provisions" prohibiting the use of funds contained in this act for facilitation and encouragement of travel. Any funds necessary for this purpose should be requested from Congress and justified in the regular manner.

SHIPPING IN UNITED STATES BOTTOMS

The committee has included a proviso in the appropriations bill, which already appears in the authorizing bill, making mandatory the use of American shipping for at least 50 percent of the shipments. The committee felt that this action would emphasize the interest of Congress in this matter and urges the administration to utilize as high a percentage of American shipping, over and beyond the mandatory 50 percent, as is practicable to carry out the objectives of the act.

MUTUAL SECURITY

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in bill for 1955

	Appropriations, 1954	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
MILITARY ASSISTANCE							
General military assistance		$1,430,300,000	$1,265,300,000	$1,270,000,000	+$1,270,000,000	−$160,300,000	+$4,700,000
Europe	$1,860,000,000				−1,860,000,000		
Near East and Africa	270,000,000				−270,000,000		
Asia and Pacific	1,035,000,000				−1,035,000,000		
American Republics	15,000,000				−15,000,000		
Total	3,180,000,000	1,430,300,000	1,265,300,000	1,270,000,000	−1,910,000,000	−160,300,000	+4,700,000
Infrastructure		122,700,000	76,000,000	122,700,000	+122,700,000		+46,700,000
Development of weapons of advance design (mutual special weapons planning)	50,000,000	27,000,000		(1)	−50,000,000	−27,000,000	
Total, military assistance	3,230,000,000	1,580,000,000	1,341,300,000	1,392,700,000	−1,837,300,000	−187,300,000	+51,400,000
DIRECT FORCES SUPPORT							
Southeast Asia and Western Pacific	400,000,000	800,000,000	712,000,000	700,000,000	+300,000,000	−100,000,000	−12,000,000
Production for forces support (manufacturing in United Kingdom)	85,000,000	75,000,000		35,000,000	−50,000,000	−40,000,000	+35,000,000
Common-use items		70,000,000	64,000,000	60,000,000	+60,000,000	−10,000,000	−4,000,000
Total, direct forces support	485,000,000	945,000,000	776,000,000	795,000,000	+310,000,000	−150,000,000	+19,000,000
DEFENSE SUPPORT (MUTUAL DEFENSE FINANCING)							
Europe (excluding Greece and Turkey for 1955)	150,864,000	52,500,000	45,000,000	45,000,000	−105,864,000	−7,500,000	
Special assistance in joint control areas in Europe		25,000,000	25,000,000	25,000,000	+25,000,000		

Near East, Africa and South Asia (including Greece and Turkey for 1955)	69,136,000	81,850,000	73,000,000	73,000,000	+3,864,000	−8,850,000	
Far East and Pacific		96,430,000	86,000,000	80,098,195	+80,098,195	−16,331,805	−5,901,805
Formosa and Indochina	84,000,000				−84,000,000		
Manufacturing in France	85,000,000				−85,000,000		
Korean program (relief and rehabilitation in Korea)	[2] *200,000,000*	230,000,000	200,000,000	205,000,000	+205,000,000	−25,000,000	+5,000,000
United Nations Korean Reconstruction Agency	50,700,000	3,452,615	3,000,000	3,000,000	−47,700,000	−452,615	
Total, defense support	439,700,000	489,232,615	432,000,000	431,098,195	−8,601,805	−58,134,420	−901,805
DEVELOPMENT ASSISTANCE (SPECIAL REGIONAL ECONOMIC ASSISTANCE)							
Near East and Africa	147,000,000	130,000,000	115,000,000	115,000,000	−32,000,000	−15,000,000	
South Asia (India)		85,000,000	60,500,000	60,500,000	+60,500,000	−24,500,000	
India and Pakistan	75,000,000				−75,000,000		
American Republics		9,000,000	9,000,000	9,000,000	+9,000,000		
Total, development assistance	222,000,000	224,000,000	184,500,000	184,500,000	−37,500,000	−39,500,000	
TECHNICAL COOPERATION							
General authorization		112,070,000	100,000,000	110,000,000	+110,000,000	−2,070,000	+10,000,000
Near East and Africa (economic and technical assistance)	33,792,500				−33,792,500		
Asia and Pacific (economic and technical assistance and defense support)	51,278,001				−51,278,001		
American Republics (technical assistance)	22,342,000				−22,342,000		
United Nation's expanded program of technical assistance (multilateral technical cooperation)	9,500,000	17,958,000		9,957,621	+457,621	−8,000,379	+9,957,621
Organization of American States		1,500,000	1,500,000	1,500,000	+1,500,000		
Total, technical cooperation	116,912,501	131,528,000	101,500,000	121,457,621	+4,545,120	−10,070,379	+19,957,621

[1] Included in "General military assistance."
[2] Transfer from "Maintenance and operation, Army," $172,000,000; "Ordnance and facilities, Navy," $10,000,000; "Ships and facilities, Navy," $18,000,000.

MUTUAL SECURITY—Continued

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in bill for 1955—Continued

	Appropriations, 1954	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
OTHER PROGRAMS							
Intergovernmental Committee for European Migration (movement of migrants)	$7,500,000	$11,189,190	$10,000,000	$10,600,000	$+3,100,000	−$589,190	+$600,000
United Nations refugee emergency fund		500,000		400,000	+400,000	−100,000	+400,000
United Nations Children's Fund (international children's welfare work)	9,814,333	13,500,000	12,000,000	13,500,000	+3,685,667		+1,500,000
North Atlantic Treaty Organization		3,200,000	3,169,000	1,169,000	+1,169,000	−2,031,000	−2,000,000
Ocean freight charges	1,580,166	4,400,000	4,400,000	4,400,000	+2,819,834		
Control Act expenses		1,300,000	1,075,000	1,300,000	+1,300,000		+225,000
Administrative expenses (other than defense)		34,700,000	30,000,000	34,700,000	+34,700,000		+4,700,000
Strategic materials (basic materials development)	19,000,000				−19,000,000		
Total, other programs	37,894,499	68,789,190	60,644,000	66,069,000	+28,174,501	−2,720,190	+5,425,000
Total, Mutual Security	4,531,507,000	3,438,549,805	2,895,944,000	2,990,824,816	−1,540,682,184	−447,724,989	+94,880,816

Comparative statement of funds available for 1954, estimates for 1955, and amounts recommended in bill for 1955

[Unobligated balances as reported by FOA]

Items	Available, 1954	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
MILITARY ASSISTANCE							
General military assistance:							
Appropriation	(1)	$1,430,300,000	$1,265,300,000	$1,270,000,000	(1)	−$160,300,000	+$4,700,000
Unobligated balance	(1)	2,472,567,283	2,207,087,729	2,500,392,283	(1)	+27,825,000	+293,304,554
Total	$4,219,175,234	3,902,867,283	3,472,387,729	3,770,392,283	−$448,782,951	−132,475,000	+298,004,554
Infrastructure:							
Appropriation	(1)	122,700,000	76,000,000	122,700,000	(1)	----------	+46,700,000
Unobligated balance	(1)	39,000,000	39,000,000	39,000,000	(1)	----------	----------
Total	150,241,713	161,700,000	115,000,000	161,700,000	+11,458,287	----------	+46,700,000
Development of weapons:							
Appropriation	(1)	27,000,000	----------	(2)	----------	−27,000,000	----------
Unobligated balance	(1)	27,825,000	27,825,000	(2)	----------	−27,825,000	−27,825,000
Total	50,000,000	54,825,000	27,825,000	(2)	−50,000,000	−54,825,000	−27,825,000
Total, military assistance:							
Appropriation	(1)	1,580,000,000	1,341,300,000	1,392,700,000	(1)	−187,300,000	+51,400,000
Unobligated balance	(1)	2,539,392,283	2,273,912,729	2,539,392,283	(1)	----------	+265,479,554
Total	4,419,416,947	4,119,392,283	3,615,212,729	3,932,092,283	−487,324,664	−187,300,000	+316,879,554

[1] Distribution of program figures between appropriation and unobligated balances not available.
[2] Included in "General military assistance."

MUTUAL SECURITY—Continued

Comparative statement of funds available for 1954, estimates for 1955, and amounts recommended in bill for 1955—Con.

[Unobligated balances as reported by FOA]

Items	Available, 1954	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
DIRECT FORCES SUPPORT							
Southeast Asia and Western Pacific	$745,000,000	$800,000,000	$712,000,000	$700,000,000	−$45,000,000	−$100,000,000	−$12,000,000
Production for forces support	170,000,000	75,000,000	----------	35,000,000	−135,000,000	−40,000,000	+35,000,000
Common-use items	64,581,564	70,000,000	64,000,000	60,000,000	−4,581,564	−10,000,000	−4,000,000
Total direct forces support	979,581,564	945,000,000	776,000,000	795,000,000	−184,581,564	−150,000,000	+19,000,000
DEFENSE SUPPORT							
Europe	185,776,073	52,500,000	45,000,000	45,000,000	−140,776,073	−7,500,000	----------
Special assistance in joint control areas in Europe	(3)	25,000,000	25,000,000	25,000,000	−25,000,000	----------	----------
Near East, Africa, and South Asia	83,636,809	81,850,000	73,000,000	73,000,000	−10,636,809	−8,850,000	----------
Far East and Pacific	120,401,596	96,430,000	86,000,000	80,098,195	−40,303,401	−16,331,805	−5,901,805
Korean program	289,253,209	230,000,000	200,000,000	205,000,000	−284,253,209	−25,000,000	+5,000,000
United Nations Korean Reconstruction Agency:							
Appropriation	(1)	3,452,615	3,000,000	3,000,000	(1)	−452,615	----------
Unobligated balance	(1)	18,547,385	15,000,000	18,547,385	(1)	----------	+3,547,385
Total	41,700,000	22,000,000	18,000,000	21,547,385	−20,152,615	−452,615	+3,547,385
Total, defense support:							
Appropriation	(1)	489,232,615	432,000,000	431,098,195	(1)	−58,134,420	−901,805
Unobligated balance	(1)	18,547,385	15,000,000	18,547,385	(1)	----------	+3,547,385
Total	720,767,687	507,780,000	447,000,000	449,645,580	−271,122,107	−58,134,420	+2,645,580

DEVELOPMENT ASSISTANCE							
Near East and Africa	137,435,500	130,000,000	115,000,000	115,000,000	−22,435,500	−15,000,000	
South Asia	60,500,000	85,000,000	60,500,000	60,500,000		−24,500,000	
American Republics	4,420,000	9,000,000	9,000,000	9,000,000	+4,580,000		
Coal and steel community loan	100,000,000				−100,000,000		
Total, development assistance	302,355,500	224,000,000	184,500,000	184,500,000	−117,855,500	−39,500,000	
TECHNICAL COOPERATION							
General authorization	97,954,161	112,070,000	100,000,000	110,000,000	+12,045,839	−2,070,000	+10,000,000
United Nations program	8,500,000	17,958,000		9,957,621	+1,457,621	8,000,379	+9,957,621
Organization of American States	1,000,000	1,500,000	1,500,000	1,500,000	+500,000		
Total, technical cooperation	107,454,161	131,528,000	101,500,000	121,457,621	+14,003,460	−10,070,379	+19,957,621
OTHER PROGRAMS							
Intergovernmental Committee for European Migration:							
Appropriation	[1]	11,189,190	10,000,000	10,600,000	[1]	−589,190	+600,000
Unobligated balance	[1]	510,810	500,000	510,810	[1]		+10,810
Total	7,500,000	11,700,000	10,500,000	11,110,810	+3,610,810	−589,190	+610,810
United Nations refugee emergency fund		500,000		400,000	+400,000	−100,000	+400,000
United Nations Children's Fund	9,814,333	13,500,000	12,000,000	13,500,000	+3,685,667		+1,500,000
United Nations Relief and Works Agency	38,063,250	[4] 23,063,250	[4] 23,063,250	[4] 23,063,250	−15,000,000		
North Atlantic Treaty Organization	1,169,000	3,200,000	3,169,000	1,169,000		−2,031,000	−2,000,000
Ocean freight charges	7,325,000	4,400,000	4,400,000	4,400,000	−2,925,000		
Control Act expenses	1,077,980	1,300,000	1,075,000	1,300,000	+222,020		+225,000
Administrative expenses	34,152,351	34,700,000	30,000,000	34,700,000	+547,649		+4,700,000
Strategic materials	11,794,534	[4] 570,000			−11,794,534	[4] −570,000	
Surplus agricultural commodities	245,385,000	[3]	[3]	[5]	−245,385,000		

[1] Distribution of program figures between appropriation and unobligated balances not available.
[3] Included in "Defense support, Europe."
[4] Reappropriation of unobligated balance.
[5] Amount for 1955 is $350,000,000.

MUTUAL SECURITY—Continued

Comparative statement of funds available for 1954, estimates for 1955, and amounts recommended in bill for 1955—Con.

[Unobligated balances as reported by FOA]

Items	Available, 1954	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
OTHER PROGRAMS—continued							
Special programs	$33,715,000				−$33,715,000		
Total, other programs:							
Appropriation	(1)	$68,789,190	$60,644,000	$66,069,000	(1)	−$2,720,190	+$5,425,000
Unobligated balance	(1)	24,144,060	23,563,250	23,574,060	(1)	−570,000	+10,810
Total	389,996,448	92,933,250	84,207,250	89,643,060	−300,353,388	−3,290,190	+5,435,810
Total, mutual security:							
Appropriation	4,531,507,000	3,438,549,805	2,895,944,000	2,990,824,816	−1,540,682,189	−447,724,989	+94,880,816
Unobligated balance	2,388,065,307	2,582,083,728	2,312,475,979	2,581,513,728	+193,448,421	−570,000	+269,037,749
Total	6,919,572,307	6,020,633,533	5,208,419,979	5,572,338,544	−1,347,233,763	−448,294,989	+363,918,565

1 Distribution of program figures between appropriation and unobligated balances not available.

○

Calendar No. 2343

83D CONGRESS
2D SESSION

H. R. 10051

[Report No. 2268]

IN THE SENATE OF THE UNITED STATES

JULY 29 (legislative day, JULY 2), 1954
Read twice and referred to the Committee on Appropriations

AUGUST 6 (legislative day, AUGUST 5), 1954
Reported by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1955, namely:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law , approved 1954 (H. R. 9678), as follows:

~~Military~~ ~~assistance:~~ ~~For~~ ~~military~~ ~~assistance~~ ~~as~~ ~~authorized~~ ~~by~~ ~~title~~ ~~I,~~ ~~chapter~~ ~~1,~~ ~~$1,341,300,000~~ ~~plus~~ ~~unobligated~~ ~~bal-~~

~~ances; as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,825,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76,000,000, plus not to exceed $39,000,000 of unobligated balances: *Provided,* That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further,* That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.~~

Military assistance: For military assistance as authorized by title I, chapter 1, $1,392,700,000 together with unexpended balances of appropriations heretofore made for military assistance: Provided, That not to exceed $3,932,092,283 may be obligated under this heading during fiscal year 1955, including not to exceed $3,770,392,283 for general military assistance as authorized by section 103, and not to exceed $161,700,000 for infrastructure as authorized by section 104 (a), and not to exceed $24,000,000 for administrative expenses to carry out the purposes of title I, chapter 1: Provided further, That the military supplies and equipment (or

the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: Provided further, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department;

Southeast Asia and the Western Pacific: For assistance authorized by section 121, ~~$712,000,000~~ *$700,000,000*;

Production for forces support: For assistance authorized by section 122, $35,000,000;

Common-use items: For assistance authorized by section 123, ~~$64,000,000~~ *$60,000,000*;

Defense support, Europe: For assistance authorized by section 131 (b) (1), $45,000,000;

Special assistance in joint control areas in Europe, *as authorized by section 403,* $25,000,000;

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), $73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), ~~$86,000,000~~ *$80,098,195*;

Korean program: For assistance authorized by section 132 (except subsection (c)), ~~$200,000,000~~ *$205,000,000 and in addition, unexpended balances of funds heretofore appropriated under the head "Relief and Rehabilitation in Korea" in the Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation under the head "Civilian Relief in Korea" in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation*;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), $3,000,000~~, and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head~~;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), $115,000,000.

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Development assistance, American Republics and nonself-governing territories of the Western Hemisphere: For

assistance authorized by section 201 (a) (3), $9,000,000;

Technical cooperation, general authorization: For assistance authorized by section ~~303~~ *304*, ~~$100,000,000~~ *$110,000,000;*

Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621;

Contributions for programs of the Organization of American States: For contributions authorized by section ~~305 (b)~~ *306 (b)*, $1,500,000;

Contributions to the Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), ~~$10,000,000~~ *$10,600,000*, ~~and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants"~~: *Provided, That no funds appropriated in this Act or any other Act shall be used to assist directly or indirectly in the migration of any person to any nation in the Western Hemisphere who shall not first have been thoroughly screened for security in accordance with standards identical with those standards contained in the United States Immigration and Nationality Act;*

Contributions to the United Nations refugee emergency fund: For contributions authorized by section 405 (c), $400,000;

Contributions to the United Nations children's fund: For contributions authorized by section 406, ~~$12,000,000~~ *$13,500,000* which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: ~~Not to exceed $23,063,250 of the unobligated~~ *The unexpended* balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407;

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, ~~$3,169,000~~ *$1,169,000*;

Ocean freight charges: For payments authorized by section 409, $4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, ~~$1,075,000~~ *$1,300,000*;

Administrative expenses: For expenses authorized by section 411, ~~$30,000,000~~ *$34,700,000*.

UNEXPENDED BALANCES

The unexpended balances appropriated under each paragraph of the Mutual Security Appropriation Act, 1954 (except appropriations under the heads of military assistance and mutual special weapons planning) shall be consolidated

with the appropriate appropriation made under this Act, and shall be available for the same general purpose and for the same period of time as the appropriate appropriation made under this Act.

GENERAL PROVISIONS

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and $1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed $15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange;

expenditures (not to exceed $50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act administered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of

furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided*, That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further*, That none of the funds provided herein shall be used to pay any employee a basic salary of

$12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of $12,000 or more per annum on June 30, 1953: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be

applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act~~, and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act of 1953~~: *Provided, That the proviso in*

section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out "Committee on House Administration of the House of Representatives" and insert "Committee on Appropriations of the House of Representatives", and (2) strike out "Committee on Rules and Administration of the Senate" and insert "Committee on Appropriations of the Senate".

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided,* That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

~~SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:~~

~~(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;~~

~~(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the lease to potential enemies of information detrimental to the security of the United States;~~

~~(3) Unjustifiable cost in comparison with procurement in the United States; and~~

~~(4) Delays in delivery incompatible with United States defense objectives.~~

SEC. ~~108~~ *107*. Not more than ~~20~~ *25* per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

SEC. 108. Of the $700,000,000 in surplus agricultural commodities authorized to be disposed of under provisions of the Agricultural Trade Development and Assistance Act of 1954, not less than $55,000,000 shall be provided to Spain during the current fiscal year: Provided, That ninety-five per centum of the foreign credits generated hereunder shall be used to strengthen and improve the civilian economy of Spain: Provided further, That the Commodity Credit Corporation shall be reimbursed for the assistance furnished under this section from unexpended balances available under the Mutual Security Act of 1954.

SEC. 109. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accord-

ance with the applicable provisions of law governing the administration of military assistance). Within the limits of funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocation, and no funds so allocated shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred, or unless the President in writing shall direct such action. Reimbursement from such allocation shall be made in accordance with the applicable provisions of law.

SEC. 110. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.

SEC. 111. None of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954.

SEC. 112. Shipping on United States vessels: Such steps as may be necessary shall be taken to assure, as far as practi-

cable, that at least 50 per centum of the gross tonnage of commodities, materials, and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States-flag commercial vessels to the extent such vessels are available at market rates for United States-flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purpose of this Act, to secure a fair and reasonable participation by United States-flag commercial vessels in cargoes by geographic area.

SEC. ~~109~~ *113*. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the

overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be

in addition to, and not in substitution for, any other provisions of existing law.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

Passed the House of Representatives July 28, 1954.

Attest: LYLE O. SNADER,

Clerk.

Calendar No. 2343

83D CONGRESS
2D SESSION

H. R. 10051

[Report No. 2268]

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

JULY 29 (legislative day, JULY 2), 1954
Read twice and referred to the Committee on Appropriations

AUGUST 6 (legislative day, AUGUST 5), 1954
Reported with amendments

Daily Digest

HIGHLIGHTS

Senate reached agreement to limit debate on farm bill.

Senate Finance Committee approved customs simplification bill.

Conferees agreed to file report on atomic energy bill.

See Congressional Program Ahead.

Senate

Chamber Action

Routine Proceedings, pages 12858–12864

Bills Introduced: 2 bills and 5 resolutions were introduced, as follows: S. 3843 to S. 3844; S. J. Res. 182 and 183; and S. Res. 308 to 310. Pages 12859–12860, 12942

Bills Reported: Reports were made as follows:

H. R. 10051, mutual security appropriations for fiscal year 1955, with amendments (S. Rept. 2268);

S. 2634, 1445, 3017, 3582, 3666, H. R. 2874, 6808, 7251, S. 345, 1687, 1898, 2083, 2316, 2564, 2632, 2645, 2801, 3057, 3110, 3494, 3562, H. R. 2791, 2881, 3216, 3217, 3273, 3732, 4531, 4580, 5086, 5092, 5489, 6332, 6562, 6566, 7762, 7835, 8252, S. 209, 3375, H. R. 2615, 5028, S. Res. 308, referring S. 749 to the Court of Claims, and S. Res. 309, referring S. 750 to the Court of Claims, all private measures (S. Repts. 2269–2312, respectively);

H. R. 9962, providing increase of 5 percent in non-service-connected disability pensions for veterans of all wars and their dependents (S. Rept. 2313);

S. 3772, to provide for payment of appraisers', auctioneers', and brokers' fees from the proceeds of disposal of Government surplus real property, with an amendment (S. Rept. 2314);

H. Con. Res. 259, to provide for Joint Committee on Tin (S. Rept. 2315);

S. Res. 310, authorizing an investigation of marketing of new cars (S. Rept. 2316);

H. R. 7398, to repeal the requirement of section 3921 of the Revised Statutes that postmasters report to the Postmaster General failure to cancel postage stamps (S. Rept. 2317);

H. R. 7399, to authorize the sale of postage-due stamps for philatelic purposes (S. Rept. 2318);

H. R. 8921, establishing the rate of compensation for the position of the General Counsel of the Department of Commerce (S. Rept. 2319);

S. 3716, to extend for 5 years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title, with amendment (S. Rept. 2320);

H. R. 5499, authorizing construction, maintenance, and operation of Michaud Flats project for irrigation in Idaho (S. Rept. 2321);

S. 2821, granting consent of Congress to certain States to enter into a compact for the disposition of the waters of the Missouri River and its tributaries, with an amendment (S. Rept. 2322);

H. R. 9582, to provide for the transfer of excess property to Territorial government of Alaska (S. Rept. 2323);

S. 3844, authorizing pro rata sharing of the cost of certain foreign claims (S. Rept. 2324);

H. R. 6451, private bill (S. Rept. 2325);

H. R. 10009, Customs Simplification Act of 1954, with amendments (S. Rept. 2326);

H. J. Res. 565, providing for membership of the U. S. in the Pan-American Institute of Geography and History (S. Rept. 2327);

S. J. Res. 183, extending greetings to the Gold Coast and Nigeria (in lieu of S. Res. 299) (S. Rept. 2328);

S. 3816, replacement of certain Government-owned utility facilities at Glacier National Park and Grand Canyon National Park (S. Rept. 2229); and

H. R. 9194, conveyance of certain land to Vicksburg, Miss. (S. Rept. 2330). Pages 12859–12860, 12942

Bills Referred: Two House-passed bills were referred to appropriate committees. Page 12860

Censure Resolution: The order of the Senate of August 2 relative to S. Res. 301, providing for censure of Senator McCarthy, the resolution itself, and amendments proposed thereto, were ordered to be printed as a public document, a certified copy thereof to be furnished the chairman of the select committee named pursuant thereto. Pages 12742–12744

Private Bill: Senate concurred in House amendment to S. 1702, a private bill, clearing it for President. Page 12896

Veterans' Loans: Senate disagreed to House amendment to H. R. 8152, continuation until June 30, 1955, of direct home and farmhouse loan authority of Administrator of VA under Servicemen's Readjustment Act of 1944, agreed to hold a conference thereon, and appointed as conferees Senators Capehart, Bricker, Ives, Maybank, and Robertson. Page 12896

Farm Program: Senate debated S. 3052, to encourage a stable, prosperous, and free agriculture, and reached a unanimous-consent agreement to limit debate thereon, as follows: After the morning business on Monday, August 9, debate on pending Aiken amendment to apply flexible price supports of 80–90 percent of parity on certain basic crops (offered as amendment to committee amendment in nature of a substitute for the bill), and any amendment thereto shall be limited to 5 hours; debate on any further amendments shall be limited to 2 hours each; debate on bill shall be limited to 3 hours; after the third reading of S. 3052, Senate shall proceed without debate to consider H. R. 9680, companion bill, which shall be deemed to be amended by substituting therefor the text of S. 3052, as amended; and if H. R. 9680, as so amended, is passed, S. 3052 shall be indefinitely postponed. Pages 12864–12894, 12896–12941

Treaties Reported: The following three tax treaties were reported, as follows: Convention Between U. S. and Japan for avoidance of double taxation and prevention of fiscal evasion as to income taxes, signed at Washington on April 16, 1954 (Exec. D, 83d Cong., 2d sess.); Convention Between U. S. and Japan for avoidance of double taxation and prevention of fiscal evasion on estate, inheritance, and gift taxes, signed at Washington on April 16, 1954 (Exec. E, 83d Cong., 2d sess.); and Supplementary Protocol Between U. S. and United Kingdom, signed at Washington on May 25, 1954, amending convention for avoidance of double taxation and prevention of fiscal evasion on income taxes, as modified by a previous supplementary protocol (Exec. H, 83d Cong., 2d sess.) (these two conventions and the protocol were numbered Exec. Rept. 6). Page 12943

Confirmations: 12 civilian nominations were confirmed, including those of C. Canby Balderston, of Pennsylvania, to be member of Board of Governors, Federal Reserve System, Ira A. Dixon, of Indiana, to be member of Home Loan Bank Board, and 5 judicial nominations. Page 12944

Nominations: Nominations of 5 members of Advisory Board of St. Lawrence Seaway Development Corporation were received, along with 1 judicial nomination. Pages 12943–12944

Program for Saturday: Senate recessed at 8:36 p. m. until 10 a. m. Saturday, August 7, when it will continue on S. 3052, farm bill.

Committee Meetings

(*Committees not listed did not meet*)

MUTUAL SECURITY APPROPRIATIONS

Committee on Appropriations: Committee, in executive session, completed marking up H. R. 10051, mutual security appropriations for 1955, and ordered the bill favorably reported to the Senate with amendments. As approved by the committee, the bill would provide total funds of $2,990,824,816, an increase of $94,880,816 over the House-passed figure of $2,895,944,000.

CUSTOMS SIMPLIFICATION, VETERANS, AND NOMINATIONS

Committee on Finance: Committee, in executive session, ordered favorably reported with amendments H. R. 10009, Customs Simplification Act of 1954, and without amendment H. R. 9962, providing a 5-percent increase in non-service-connected disability pensions for veterans of all wars and their dependents.

The committee also approved the nominations of Philip A. Hoghaug to be collector of customs for customs collection district No. 34, Pembina, N. Dak., and James Bradshaw Mintener, of Minnesota, to be Assistant Secretary of HEW.

COMMITTEE BUSINESS

Committee on Foreign Relations: Committee, in executive session, ordered favorably reported the following:

Protocol Limiting the Cultivation of the Poppy Plant, and the International and Wholesale Trade in and Use of Opium (Exec. C, 83d Cong., 2d sess.), and supplementary protocol with the United Kingdom relating to taxes on income (Exec. H, 83d Cong., 2d sess.); and

An original bill, S. 3844, authorizing pro rata sharing of the cost of foreign claims;

H. J. Res. 565, providing for membership of the U. S. in the Pan-American Institute of Geography and History;

S. 3067, to require that international agreements other than treaties, hereafter entered into by the U. S., be transmitted to the Senate within 30 days after the execution thereof (amendment in the nature of a substitute);

S. J. Res. 183, extending greetings to the Gold Coast and Nigeria;

The nomination of Martin W. Oettershagen, of Illinois, to be Deputy Administrator of St. Lawrence Seaway Development Corporation;

The following nominations to the Ninth Session of the U. N. General Assembly: Former Senator Henry Cabot Lodge, Jr., Senators Smith (New Jersey) and Fulbright, C. D. Jackson, of New York, Charles H. Mahoney, of Michigan, Roger W. Straus, of New York, James W. Wadsworth, of New York, Mrs. Oswald B. Lord, of New York, and Ade M. Johnson, of Washington.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 16, 1954
For actions of August 13 & 14, 1954
83rd-2nd, No. 157 & 158

CONTENTS

Adjournment.....20	Economic report.....17	Public debt.....2
Appropriations.....4,13	Farm program.....6	Social security.....5
Atomic energy.....1,9,19	Foreign aid.....4,13	Stockpiling.....24
CCC.....3	Labor, farm.....5,22	Surplus commodities.....13
Coffee.....14	Legislative program.....20	Transportation.....16
Commodity exchange.....14	Personnel.....7,10,18	Tobacco.....21
Credit unions.....11	Point-4.....13	TVA.....8
Drought aid.....15	Postal rates.....18,23	Water compacts.....12

HIGHLIGHTS./ AUG. 13: Senate rejected conference report on atomic energy bill. Senate passed public debt increase bill. Senate passed bill expanding social security program. Senate made foreign-aid appropriation bill its unfinished business.

AUG. 14: Senate passed foreign-aid appropriation bill. Sen. Gillette urged House action on bill to place coffee trading under CEA. Sen. Symington spoke in favor of including additional county in Mo. area designated for emergency drought aid.

SENATE, AUG. 13

1. ATOMIC ENERGY. Rejected, 48 to 41, and sent back to conference H. R. 9757, the atomic energy bill. Senate conferees were appointed. (pp. 13638-64.) For provisions of the conference report see Digest 153.

2. PUBLIC DEBT. Passed as reported H. R. 6672, to increase temporarily until June 30, 1955, the public debt limit by $6 billion (pp. 13674-80). The bill as passed by the House provided for an increase in the debt limit from $275 billion to $290 billion without a time limitation.
Sen. Morse spoke in favor of this bill as passed by the Senate (p. 13741).

3. CCC BORROWING POWER. Sen. Holland submitted an amendment intended to be proposed by him to H. R. 9756, to increase the borrowing power of CCC from $8.5 billion to $10 billion (p. 13744).

4. FOREIGN-AID APPROPRIATION BILL, 1955. This bill, H. R. 10051, was made the unfinished business (p. 13739).

5. SOCIAL SECURITY; FARM LABOR. Passed with amendments H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers who are paid at least $50 in cash wages by one employer in a calendar quarter (pp. 13664, 13680-7, 13689-739). Agreed to the committee amendments en bloc (pp. 13683-4). Agreed to a Sen. Smathers' (for himself and Sen. Holland) amendment which eliminates coverage of workers from Jamaica, Bahamas, and the British West Indies who are brought into Fla. yearly on a temporary basis to perform agricultural labor (pp. 13685-6). Rejected Sen. Stennis amendments which would have restored the present law with respect to coverage of farm workers (pp. 13726-8). Senate conferees were appointed (p. 13739). House conferees have not be appointed.

ITEMS IN APPENDIX

6. FARM PROGRAM. Sen. Thye inserted a Mankato (Minn.) Free Press article opposing any reduction in price supports "... until other essential adjustments of the Nation's economy have been achieved" (p. A6026).

7. PERSONNEL. Extension of remarks of Rep. Martin, Ia., endorsing the President's loyalty program and inserting portions of Philip Young's, CSC, testimony before the Senate Civil Service Committee in which he outlined the employee security program (p. A6025).

8. TVA. Sen. Kefauver inserted Geo. Dempster's, pres., Citizens for TVA, Inc., statement outlining the development of TVA programs and the benefits derived from these programs including agricultural efforts and forestry program (pp. A6033-4).

BILLS INTRODUCED - AUG. 13

9. ATOMIC ENERGY. S. J. Res. 184, by Sen. Knowland, to amend the Atomic Energy Act of 1946, as amended; to Joint Committee on Atomic Energy (p. 13631).

10. PERSONNEL. S. 3868, by Sen. Knowland, authorizing the payment of salary to any individual given a recess appointment as Comptroller General of the U. S. before the beginning of the 84th Congress, ordered to lie on the table (p. 13744).

BILLS APPROVED BY THE PRESIDENT

11. CREDIT UNIONS. S. 3683, to amend the D. C. Credit Unions Act. Approved August 10, 1954 (Public Law 576, 83rd Cong.).

12. WATER COMPACTS. S. 3699, granting Federal approval to the interstate compact on the Sabine River. Approved August 10, 1954 (Public Law 578, 83rd Cong.).

SENATE, AUG. 14

13. FOREIGN-AID APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 10051 (pp. 13775-814). Agreed to the committee amendments en bloc (pp. 13776-7). Agreed to a Sen. McCarran amendment to provide that the surplus commodities to be made available to Spain (in the amount of $55 million in unobligated balances) shall be made available under section 402 of the Mutual

Security Act of 1954, rather than under the provisions of the Agricultural Trade Development Act of 1954.(pp. 13778-9). Rejected a Sen. Humphrey amendment to increase by $7,942,379, funds for contributions to the U. N. expanded program of technical assistance (pp. 13812-4). Senate conferees were appointed (p. 13814). House conferees have not been appointed.

14. COFFEE; CEA. Sen. Gillette urged House action on H. R. 6435, to extend the Commodity Exchange Act to coffee (pp. 13760-1).

15. DROUGHT AID. Sen. Symington spoke in favor of including Washington County in the area in Missouri designated to receive emergency drought aid (pp. 13767-8).

16. TRANSPORTATION. Sen. Butler inserted an American Merchant Marine Institute, Inc. article favoring S. 3233, to provide permanent legislation for transportation of a substantial portion of water-borne cargoes in U.S.-flag vessels (p. 13767).

17. ECONOMIC REPORT. Sen. Humphrey inserted the text of the President's midyear economic report objecting to the lack of "more facts and analysis" and stated that "there has been a tendency in this administration to provide the American people with much less economic data and analysis than did the last administration" (pp. 13769-71).

18. PERSONNEL. Sen. Johnston discussed the news story that a "package bill" including the Postmaster's reclassification plan, increased postal rates, and increased pay for Federal employees will be brought up in the House, and inserted a postal employees statement objecting to this method of legislation (pp. 13771-2).

19. ATOMIC ENERGY. Sen. Morse inserted an editorial from the Gazette and Daily (York, Pa.) entitled, "The $42 Trillion Giveaway of Atomic Power" (pp. 13815-6).

20. RECESSED until Mon., Aug. 16 (p. 13818). The Legislative Program as announced by Majority Leader Knowland: Mon., calendar, and various bills not affecting agriculture, and the bill to prohibit payment of Federal retirement benefits to persons convicted of certain offenses; Tues., It is hoped to consider the conference reports on the farm program, the supplemental appropriation, and the atomic energy bills..." at least 2 out of 3 of those conference reports will be ready for action on Tuesday" (pp. 13804-5).

COMMITTEE HEARINGS RELEASED BY GPO

21. TOBACCO. H. R. 8381, transportation of leaf tobacco by motor carrier. H. Interstate and Foreign Commerce Committee.

22. MEXICAN FARM LABOR. S. 3660 and 3661, to control illegal migration. S. Judiciary Committee.

23. POSTAL SERVICE. Size and weight limitations on parcel post packages sent through the mail. H. Post Office and Civil Service Committee.

24. STOCKPILING. S. Res. 143, stockpile and accessibility of strategic and critical materials to the U. S. in time of war. Part 10, industrial representatives of producers and users of strategic and critical materials. S. Interior and Insular Affairs Committee.

COMMITTEE HEARING ANNOUNCEMENT FOR AUG. 16: Farm program bill, conferees (exec).

-0-

For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.

oOo

83D CONGRESS
2D SESSION

H. R. 10051

IN THE HOUSE OF REPRESENTATIVES

AUGUST 16, 1954

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1955, namely:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law , approved 1954 (H. R. 9678), as follows:

(1) ~~Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated bal-~~

~~ances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,825,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76,000,000, plus not to exceed $39,000,000 of unobligated balances: *Provided,* That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further,* That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.~~

Military assistance: For military assistance as authorized by title I, chapter 1, $1,192,700,000, together with unexpended balances of appropriations heretofore made for military assistance which shall be consolidated with this appropriation: Provided, That not to exceed $3,932,092,283 may be obligated under this heading during fiscal year 1955, including not to exceed $3,770,392,283 for general military assistance as authorized by section 103, and not to exceed $161,700,000 for infrastructure as authorized by section 104 (a), and not to exceed $24,000,000 for administrative expenses to carry out the purposes of title I, chapter 1: Pro-

vided further, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: Provided further, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department;

Southeast Asia and the Western Pacific: For assistance authorized by section 121, (2)~~$712,000,000~~ *$700,000,000: Provided, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not cooperating in common defense efforts against further Communist penetration and/or aggression;*

(3)*Production for forces support: For assistance authorized by section 122, $35,000,000;*

Common-use items: For assistance authorized by section 123, (4)~~$64,000,000~~ *$60,000,000;*

Defense support, Europe: For assistance authorized by section 131 (b) (1), $45,000,000;

Special assistance in joint control areas in Europe, (5) *as authorized by section 403,* $25,000,000;

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), $73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), (6) ~~$86,000,000~~ *$80,098,195*;

Korean program: For assistance authorized by section 132 (except subsection (c)), (7) ~~$200,000,000~~ *$205,000,000* (8) *and in addition, unexpended balances of funds heretofore appropriated under the head "Relief and Rehabilitation in Korea" in the Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation under the head "Civilian Relief in Korea" in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation*;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), $3,000,000 (9) ~~, and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head~~;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), $115,000,000.

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Development assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 201 (a) (3), $9,000,000;

Technical cooperation, general authorization: For assistance authorized by section (10)~~303~~ *304*, (11)~~$100,000,000~~ *$110,000,000;*

(12)*Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621;*

Contributions for programs of the Organization of American States: For contributions authorized by section (13)~~305 (b)~~ *306 (b)*, $1,500,000;

Contributions to the Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), (14)~~$10,000,000~~ *$10,600,000*, (15)~~and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants"~~: *Provided, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemi-*

sphere of any person not having a security clearance based on standards comparable to those standards contained in the United States Immigration and Nationality Act;

(16) *Contributions to the United Nations refugee emergency fund: For contributions authorized by section 405 (c), $400,000;*

Contributions to the United Nations children's fund: For contributions authorized by section 406, (17) ~~$12,000,000~~ *$13,500,000* which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: (18) ~~Not to exceed $23,063,250 of the unobligated~~ *The unexpended* balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407;

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, (19) ~~$3,169,000~~ *$1,169,000*;

Ocean freight charges: For payments authorized by section 409, $4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, (20) ~~$1,075,000~~ *$1,300,000*;

Administrative expenses: For expenses authorized by section 411, (21)~~$30,000,000~~ *$34,700,000.*

(22)*UNEXPENDED BALANCES*

The unexpended balances appropriated under each paragraph of the Mutual Security Appropriation Act, 1954 (except appropriations under the heads of military assistance and mutual special weapons planning) shall be consolidated with the appropriate appropriation made under this Act, and shall be available for the same general purpose and for the same period of time as the appropriate appropriation made under this Act.

GENERAL PROVISIONS

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations (23), *including (notwithstanding the provision of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of the Mutual Security Act of 1954;* employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in

addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and $1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed $15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed $50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the

United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act administered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but

not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided,* That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further,* That none of the funds provided herein shall be used to pay any employee a basic salary of $12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of $12,000 or more per annum on June 30, 1953 (24)*and except that this prohibition shall not apply to employees receiving salaries in excess of $12,000 as the result of general pay raise legislation enacted during the fiscal year 1955*: *Provided further,* That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such

travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further,* That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 104. Pursuant to section 1415 of the Supplemental

Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act (25)~~, and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such Act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act of 1953~~ (26) *: Provided, That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out "Committee on House Administration of the House of Representatives" and insert "Committee on Appropriations of the House of Representatives", and (2) strike out "Committee on Rules and Administration of the Senate" and insert "Committee on Appropriations of the Senate".*

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any

debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided,* That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

~~(27) SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.~~

~~(28) SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or~~

~~materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:~~

~~(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;~~

~~(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the lease to potential enemies of information detrimental to the security of the United States;~~

~~(3) Unjustifiable cost in comparison with procurement in the United States; and~~

~~(4) Delays in delivery incompatible with United States defense objectives.~~

SEC. ~~(29) 108~~ *106*. Not more than ~~(30) 20~~ *25* per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

~~(31)~~ *SEC. 107. $55,000,000 of the unobligated balances continued available under this Act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during*

the current fiscal year: Provided, That the limitations on obligation of military assistance funds during fiscal year 1955 shall not apply to such assistance: Provided further, That 95 per centum of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States.

(32) *SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Such funds shall be considered obligated in accordance with the provisions of section 1311 of the Supplemental Appropriation Act of 1955 on written orders issued by the Secretary of Defense to the military departments for the procurement or delivery of supplies and services, when receipt of such orders has been acknowledged in writing. Within the limits of funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocation, and no funds so allocated*

shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred, or unless the President in writing shall direct such action. Reimbursement from such allocation shall be made in accordance with the applicable provisions of law.

(33) *SEC. 109. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.*

(34) *SEC. 110. None of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954.*

(35) *SEC. 111. Shipping on United States vessels: Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 per centum of the gross tonnage of commodities, materials, and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry*

bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States-flag commercial vessels to the extent such vessels are available at market rates for United States-flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purpose of this Act, to secure a fair and reasonable participation by United States-flag commercial vessels in cargoes by geographic area.

SEC. ~~(36)109~~ *112*. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to

strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

Passed the House of Representatives July 28, 1954.

Attest: LYLE O. SNADER,

Clerk.

Passed the Senate with amendments August 14 (legislative day, August 5), 1954.

Attest: J. MARK TRICE,

Secretary.

83D CONGRESS
2D SESSION

H. R. 10051

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 16, 1954

Ordered to be printed with the amendments of the Senate numbered

increased to 6 percent instead of to 4⅞ percent. Under the omnibus measure there would be an increase in both the frequency and amount or raises in the contribution rate to a peak of 4 percent of taxable payroll in 1961, and 5¼ percent for self-employed in the same year.

Mr. HUMPHREY. Mr. President, I am glad to say that several of the excellent provisions in the omnibus bill have been included in H. R. 9366, the pending legislation. They include:

First. The increase of maximum monthly benefits to $200;

Second. Preservation of the insurance rights of persons permanently disabled;

Third. Certain increases in benefits although they are not as liberal as those in our omnibus bill;

Fourth. Liberalization of the retirement test;

Fifth. Extension of coverage; and

Sixth. An increase in the wage base.

Mr. President, in 1950 and in 1952 Congress passed major revisions in the social-security program. I supported these liberalizing provisions—some of the changes, in fact, came about through the adoption of amendments which I sponsored or cosponsored. Perhaps it is of some significance that the even-numbered years seem to favor progress in this field. Well, then, this is 1954 and much remains to be done. Let us continue the advance. Let us make sure that all the American people are free from the blight of poverty and the fear of insecurity.

At this point I would like to make a few remarks on the steps forward we did make in 1950 and 1952.

In 1950, the benefits of the social-security system were extended to some 10 million more people. Both in 1950 and 1952 payments under the system were substantially liberalized. Through a new formula the average benefit for those already on the rolls went up a total of $25; allowable monthly earnings rose from $14.99 to $50 and finally to $75; benefits were increased for widows and orphans and it was provided that lump-sum payments be made in the event of all deaths. In addition, veterans were granted a $160 monthly wage credit toward social-security benefits for each month of active service, July 25, 1947, to December 31, 1953.

It was also in 1950 that Congress added the new concept of Federal grants-in-aid to the States for the permanently and totally disabled. Under this program, improved public assistance was made available to the blind, the aged, and dependent children. Grants were also increased for maternal and child health, crippled children, and child-welfare services.

Though we did not achieve our ultimate goals, these 2 years, 1950 and 1952, were memorable ones in the development of our social-security program. I was pleased and proud that several of my proposals, particularly that increasing old-age and survivors benefits by $5 met with approval. I also feel that the amendments I introduced which did not meet with approval made a real contribution. For, as has happened in the past, I am sure that they will prove to be the seed which will bear fruit this year, I hope, and if not, in the future.

Among the amendments I have supported and sponsored in 1950 were those to extend coverage to an increasing number of Americans. I also introduced amendments to increase benefits to those who retire under the program as well as to the aged and the blind. Another amendment would have provided Federal grants for medical care to the needy aged, the blind and dependent children. It was in 1950 that I first supported the amendment to provide insurance benefits of the old-age and survivors insurance program to individuals who are permanently unable to work because of physical or mental illness.

I would like to call particular attention to a bill I sponsored together with Senator DOUGLAS to expand our provisions for the treatment and rehabilitation of disabled persons. The bill, which included the program of vending stands for the blind, provided for Federal payments to cooperating State agencies, Federal payments for the establishment of workshops and rehabilitation centers, and provided for a program of Federal research on rehabilitation techniques. It also provided for loans to the States to carry out programs under the act, and provided a revolving fund to assist workshop cooperatives of severely disabled people.

Among the measures I introduced in 1952 for the liberalization of the social-security program were several that I had already introduced in 1950 or have currently reintroduced. However, I would like to note one, as yet unmentioned, measure which would have provided that any person eligible for old-age and survivors insurance would be entitled to hospital benefits equal to 60 days a year. This proposal has not yet been approved, but it still represents one of the most pressing needs of America's senior citizens.

None of us can for long deny the appeal to our conscience which asks that the strong share part of the burden of the weak.

This has been my record during the last 6 years on social security. America is the richest nation in the world. Indeed, it is my belief that we can no longer afford to allow destitution and despair rot like a canker in our midst. Now is the time to show the world that our American way of life can bring prosperity and security to all the people. I, for one, will join with my colleagues to carry on this fight until the inevitable day when men shall dimly remember, but never again experience, the fears of economic insecurity. It has been this faith and dedication in the future and in our fellow Americans that has made our country the greatest in the world.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill (H. R. 9366) was passed.

Mr. MILLIKIN. Mr. President, I send to the desk an order, which I ask to have read and to be agreed to.

The PRESIDING OFFICER. The clerk will state the order.

The legislative clerk read as follows:

Ordered, (1) That the bill (H. R. 9366) be printed with the Senate amendments numbered.

(2) That in the engrossment of the amendments of the Senate to the bill, the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters, and cross-references thereto.

The PRESIDING OFFICER. Without objection, the order is agreed to.

Mr. MILLIKIN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. GOLDWATER in the chair) appointed Mr. MILLIKIN, Mr. MARTIN, Mr. WILLIAMS, Mr. GEORGE, and Mr. BYRD conferees on the part of the Senate.

APPROPRIATIONS FOR MUTUAL SECURITY

Mr. KNOWLAND. Mr. President, I now desire to have the mutual security appropriation bill made the unfinished business of the Senate. It will not be taken up for debate or voting tonight, but will be the order of business when the Senate reconvenes at 10 o'clock tomorrow morning.

I move that the Senate proceed to the consideration of Calendar No. 2343, H. R. 10051, the foreign-aid appropriation bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I desire to make a brief announcement to the Senate. There will be a meeting of the policy committee either tomorrow or Monday, after which I expect to consult with the minority leader, and also to inform the Senate of additional proposed legislation to be considered.

A number of bills have, from time to time in the past, been mentioned for consideration. I remind the Senate that the bills I am about to state will not be inclusive of the list which will be considered, but they are among those which heretofore have been mentioned. As a matter of fact, it does not include even all of those. The bills are as follows: Calendar No. 1834, Senate bill 3428, the defense facilities bill; Calendar No. 1833, H. R. 9580, the espionage bill; Calendar No. 1827, Senate Resolution 280; Calendar No. 1828, Senate Resolution 282; and

Calendar No. 1829, Senate Resolution 281, the contempt citations previously mentioned, which I expect to call up for consideration some time on Monday; Calendar No. 644, H. R. 6287, to amend the Renegotiation Act of 1951; Calendar No. 1808, H. R. 9709, the unemployment compensation bill; Calendar No. 1931, a bill (S. 2559) to amend title 17, United States Code, entitled "Copyrights," which is the same as Calendar No. 2235, House bill 6616, dealing with copyrights, which is the proposed legislation to go along with the treaty which has already been ratified by the Senate; Calendar No. 2365, a bill (S. 3067) to require that international agreements other than treaties hereafter entered into by the United States, be transmitted to the Senate within 30 days after the execution thereof; Calendar No. 2367, a bill (S. 2975) to amend title 28, United States Code, relating to the Customs Court.

At the next policy committee meeting there will be a number of other bills, about which I shall immediately inform the minority leader, and also bring to the attention of the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished minority leader.

Mr. JOHNSON of Texas. I did not hear the majority leader mention House bill 7840, the railroad retirement unemployment insurance bill. As I understand, the policy committee has not yet had an opportunity to consider that bill.

Mr. KNOWLAND. That is correct. There is a considerable number of bills in which Senators on both sides of the aisle have expressed interest, and those bills will be considered in order to determine which ones can be concluded in the general legislative program prior to adjournment, or prior to recess by the Senate and adjournment by the House.

Mr. JOHNSON of Texas. The minority leader has talked both to the chairman of the policy committee and to the distinguished majority leader about the bill I just mentioned. In view of the fact that the bill passed the House by a vote of 360 to 0, and the fact that it was reported by the Senate committee by a vote of 11 to 1, I hope the Senate will have a chance to pass upon the bill before Congress adjourns. I again wish to urge the distinguished majority leader, who has always been considerate of our requests, to please ask the policy committee to clear that bill before Congress adjourns.

Mr. KNOWLAND. I say to the distinguished majority leader that that will be one of a number of bills that will be considered by the policy committee when it meets.

TRIBUTE TO SENATOR MILLIKIN

Mr. JOHNSON of Texas. Mr. President, I wish to congratulate one of the ablest, most distinguished, and beloved Members of this body for the success of the Senate has had today, namely, the Senator from Colorado [Mr. MILLIKIN]. We ought to take off our hats to anyone who can succeed in having the debt limit raised $6 billion, have the social security bill passed, and nevertheless permit Senators to get home before 12 o'clock midnight. [Applause.]

Mr. KNOWLAND. I fully agree with the statement of the distinguished minority leader.

THE SOCIAL-SECURITY BILL

Mr. MORSE. Mr. President, I have three very brief items on which I should like to comment. First, I wish to make a very brief statement on the social-security bill for the RECORD, so that my constituents will know my position and will know why certain amendments were not offered by me tonight. After a series of conferences and a count of noses, it became perfectly clear to me that in the rush hours of this closing session it would be impossible really to revise the Eisenhower social-security bill along the lines of the Lehman substitute bill which I have been supporting.

In a policy conference that a group of us had, we simply recognized the realities of the situation and decided that all we could do would be to try to support a few amendments, which I did, and then, come January, seek to put into law a revised social-security system that would do justice to the aged and to other groups not now covered by the social-security law who should be covered and are not included in the bill which the Senate just passed.

Of course, the parliamentary strategy that existed on the floor of the Senate tonight bore out very clearly the statement I made. We could not get a yea-and-nay vote. We could not get Senators to go on record in connection with adding even $5 to the social-security benefits of the aged and the dependent children.

So I say to my constituents that they need have no concern as to what their Senator is going to do come January. I am going to continue to fight for a social-security law that will keep faith with the principles I enunciated a few minutes ago on the floor of the Senate in a short speech, when I said the people of the Nation have a clear moral obligation to many thousands of persons—yes, a good many millions—in the country whose gross income is $3,500 a year or less.

We were confronted with a situation in which the best we could get out of this session of the Congress in its closing hours was the administration bill, with a few minor amendments which we were able to add in the bill today.

I now wish to proceed to the second item.

IDA KLAUS RESIGNS

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, I should like to make a brief comment upon the resignation of a great public servant, Miss Ida Klaus, who for some 21 years has been in the Federal service. She has been the solicitor of the National Labor Relations Board for some years. When I was on the War Labor Board during the war our Board was helped many, many times by Miss Ida Klaus, who is one of the most brilliant lawyers in this country in the field of labor relations.

I have in my hand the official statement of the National Labor Relations Board, dated August 13, 1954, announcing her resignation. The statement takes the form of Miss Klaus' letter of resignation to the Chairman of the Board, Mr. Guy Farmer, and the reply of Mr. Farmer to Miss Klaus.

I ask unanimous consent that the release of the National Labor Relations Board be printed at this point in the RECORD as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

IDA KLAUS RESIGNS

Miss Ida Klaus, the board's solicitor, resigns to join the New York City government. She terminates 21 years of Federal service to become counsel to the newly formed New York City department of labor.

Following is the exchange of letters between Miss Klaus and Chairman Farmer:

DEAR GUY: It is with a feeling of sincere regret that I tender my resignation as an employee of the Board, to become effective September 1.

It is naturally difficult to bring to a close a career of nearly 21 years with the Federal Government, 17 of them with the Board, culminating in my service as solicitor during the past 6 years. Another branch of the family of government, the city of New York, has asked me to serve as counsel to its newly formed department of labor, and I feel that I must accept. Aside from the personal reasons which impel me to return to New York after so long an absence, I feel that I can take back to my native city, which reared and educated me for the work I have performed, the very substantial benefits of 21 years of training in the workshop of the Federal Government.

I shall always be grateful to the Board members, past and present, and to the staff for their trust and their confidence, in return for which I sought at all times to give the best of my ability.

Sincerely,

IDA KLAUS.

DEAR IDA: I learn of your resignation with regret, which I know is shared by my colleagues, by the general counsel, and by every member of the staff. You have served the Board and the Government faithfully and brilliantly throughout your long career in Washington, and your departure will be a loss to this agency and the career service. It will also be a personal loss to those of us, and there are many, who have known you for these many years.

You have served this Board well in various important legal posts, and have lived with it through vicissitudes and trials. I know that you have always given your best to your job, and that you have fearlessly and honestly given the Board the benefit of your opinion as a lawyer on the many difficult questions of statutory interpretation with which it has been faced. While you and I have at times disagreed, which is understandable among lawyers, I have never underrated the value of your advice, nor have I ever had occasion to question the sincerity of your opinions. I am merely stating a recognized fact when I say that your grasp of the law which we administer and your ability as a lawyer are unexcelled.

I cannot close without saying that I think that I understand something of your emotions on this occasion. It is not easy to leave a post which has been so large a part of one's life for so many years. But you can take with you a large measure of pride in your

I would prefer not to proceed now, for it would be a waste of time.

On the other hand, the majority leader has told me that I could proceed with them, and of course I took advantage of whatever time was available.

Mr. DIRKSEN. Yes.

Mr. McCARRAN. But I would prefer not to present them at this time, if the result would be merely to have to present them again, later on.

Mr. DIRKSEN. Mr. President, the present occupant of the majority leader's chair has had no instruction regarding these measures or these messages from the House of Representatives. So, Mr. President, if the Senator from Nevada will defer them until the majority leader returns——

Mr. McCARRAN. Let me say to the able Senator from Illinois that in all these matters, I am substituting for the chairman of the Judiciary Committee, who is absent because of certain misfortune which has come to his family. Therefore, he asked me to take over this work. It is not because of any wish on my part, that I undertake this burden.

Mr. DIRKSEN. I understand. But, Mr. President, if the Senator from Nevada will withhold, momentarily, his motion——

Mr. McCARRAN. Very well.

Mr. DIRKSEN. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROPRIATIONS FOR MUTUAL SECURITY

The Senate resumed the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

Mr. BRIDGES. Mr. President, the Senate has now proceeded to the consideration of H. R. 10051, the mutual security appropriation bill for fiscal year 1955. As chairman of the Senate committee charged with handling this bill, I wish to make a few brief remarks concerning some of the general considerations which helped shape the nature of our recommendations.

Mr. President, it is now 9 years since the last shot was fired in World War II, but the first month in which no local war threatens to engulf the world in a new global conflict. Yet, as we look about us, we cannot find the solace that comes with the end of the mass slaughter which is war. An uneasy calm has descended momentarily upon the world, but anxiety has not diminished. Although the shooting has stopped, the world is no closer to a just and enduring peace. The dangers are just as great today. The free world continues to live in the evil shadow of the malevolent Red imperialism. Now, more than ever, we must retain our sense of proportion and hold firmly to our faith in the justice of our cause.

We are faced today by an enemy hostile to human freedom, holding in tight control more than 800 million people and enormous material resources, possessed of a huge war machine, armed with the most modern weapons of mass destruction. No one nation alone can face with confidence this vast assembly of power. Only by collective defense can the nations of the free world hope to meet this fearful threat to their survival without the alternative, over the long pull, of economic collapse. It is within this concept of a free world-defense community that our own military strategy and programs have been developed—each nation contributing to the whole those forces and resources which it can most effectively provide.

The principal purpose of the bill now before the Senate is to assist our free world partners to raise and support the forces required for collective defense. Whereas, in the early years of the foreign-aid program, emphasis was placed principally on economic aid, today only $184,500,000 of the funds provided in this bill are for that type of aid, under the caption of "Development Assistance." Since 1948, when economic aid totaled $4.4 billion, the economic strength of most of our allies, particularly in Europe, has shown remarkable improvement so that now the emphasis may be shifted safely to defense aid. Of the roughly $185 million in development assistance provided in H. R. 10051, virtually all is for India and the Near East.

A total of $2,618,798,195 in new appropriations is provided for mutual-defense assistance—$1,392,700,000 for military assistance; $795 million for southeast Asia and the western Pacific, and for direct-forces support; and $431,098,195 for defense support. These new appropriations plus the continued availability of unobligated funds recommended by the committee will make available in fiscal year 1955 a total of $5,176,737,863 in mutual-defense assistance—$3,932,092,283 for military assistance; $795 million for southeast Asia, and so forth; and $449,645,580 for defense support.

The bill also provides $121,457,621 in new appropriations for technical cooperation and $66,069,000 for other programs, including administrative expenses other than for military assistance. Since the committee recommended the continued availability of unobligated balances for other programs in the amount of $23,574,060, a total of $89,643,060 will be available for those programs in fiscal year 1955.

A total of $2,990,824,816 in new appropriations is provided in this bill, which, together with $2,581,513,728 in unobligated balances recommended by the committee to be continued available, will provide a grand total of $5,572,338,544 in fiscal year 1955.

Every field of human endeavor—politics, economics, education, science, religion—are exploited by the Communists in their efforts to subvert and weaken the nations of the free world. Patience, perseverance, and understanding will be required in ever-increasing measure if free-world unity is to survive in the long term the stresses and strains of Communist efforts to break it apart.

Upon the United States has fallen perhaps the greatest responsibility to preserve this unity. History has thrust upon us the role of leadership in this world struggle against Communist aggression. It is a role which we neither sought nor desired. But the American people have always been ready and willing to fully meet their international obligations, and in my judgment the people of this country will continue to carry this burden of our international responsibilities willingly so long as they are convinced that the interests of the Nation demand it of them. For this assurance they rightfully look to the executive branch of the Government and to the Congress. That is why the several committees of the Congress concerned with foreign aid have conducted such extensive and thorough hearings on the fiscal year 1955 program. The recommendations of the Senate Committee on Appropriations are based not only on the detailed and voluminous data and testimony presented during the course of its own hearings, but also on the hearings and reports of the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House. The measure now awaiting Senate approval incorporates the recommendations of the Committee on Appropriations. I submit the bill, and bespeak for it for the earnest consideration of the Senate.

In addition to what I have said, I should like to point out that it is my personal opinion, and I think it is the opinion of the majority of the Committee on Appropriations, that in the coming year, more than ever before, we must emphasize the word "mutual" in connection with this program. In other words, the feeling of the members of the committee, as I interpret it by their statements, by their questions, and by their votes, is to the effect that they want emphasis placed on American aid being channeled to the countries that are willing to help themselves and wish to be willing partners in this great program of mutual aid, of which we are a part. Furthermore, the members of the committee desire and—we emphasize this to the administrators of this program and to the countries who are our partners—that more than ever the word "mutual" shall be considered in the administration of the act.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MANSFIELD. I wish to compliment the Senator from New Hampshire for the remark he has just made. I am sure that what he says is also the feeling of Congress and the administration, which he so ably represents.

If the chairman will permit me to do so, I should like to ask several short questions of him.

Mr. BRIDGES. I yield.

Mr. MANSFIELD. Is it the understanding of the chairman that the Foreign Operations Administration is to be

abolished and go out of existence on June 30, 1955?

Mr. BRIDGES. That is correct.

Mr. DIRKSEN. Mr. President, I should like to supplement the answer of the chairman by saying that, as a matter of fact, a study has already been conducted with the view of distributing the functions of the Foreign Operations Administraiton, which must necessarily be distributed when the agency is abolished.

Mr. MANSFIELD. On June 30, 1955, or before?

Mr. DIRKSEN. That is correct.

Mr. MANSFIELD. Is it the understanding of the chairman of the Committee on Appropriations that title III, the point 4 program, under the authorization adopted by the Foreign Relations Committee and agreed to by the House, will become, not later than June 30 of next year, a part of the State Department?

Mr. BRIDGES. That is correct.

Mr. MANSFIELD. Is it the distinguished chairman's further understanding that so far as title II is concerned, the title which deals with economic aid, that title will expire on June 30, 1955, with only a 1 year's liquidation period, taking it to June 30, 1956.

Mr. BRIDGES. That is correct.

Mr. MANSFIELD. Is it the chairman's understanding that there is no termination date so far as military assistance is concerned?

Mr. BRIDGES. That is correct.

Mr. MANSFIELD. And that it is to be administered by the Defense Department, so that the program may be continued as it needs to be continued, under the aegis of the Secretary of Defense and his assistants?

Mr. BRIDGES. The Senator is correct.

Mr. MANSFIELD. In other words, we can be absolutely certain that the Foreign Operations Administration will be abolished as of June 30, 1955?

Mr. BRIDGES. Let me say to the distinguished Senator from Montana, who has served so ably in both Houses of Congress, that I have been around Congress for some time, and I know that sometimes we may have in mind a certain plan with the hope it may be carried out; and in that connection I can certainly speak only for myself, and cannot give any blanket guaranty for anyone else. I mean that is my understanding, and that is certainly my belief. I am not equivocating in any way, but at the same time I must leave a little loophole to the extent that I cannot speak for anyone else.

Mr. MANSFIELD. I should like to close that one little loophole, because what the chairman has said is, in effect, the intent of Congress, and was the intent of Congress a year ago.

The distinguished Senator from Illinois has pointed out that under the chairmanship of the distinguished Senator from New Hampshire at the present time negotiations are going on by means of which the President, under authority given to him by the Mutual Security Act, is arranging for the transfer of various units of the Foreign Operations Administration into the proper permanent agencies.

Mr. BRIDGES. That is correct.

Mr. MANSFIELD. I do not want to have established so-called temporary permanent agencies. I am afraid that if Congress does not adhere firmly to its present determination and does not see to it that this organization is out of existence not later than June 30, 1955, we will find an attempt being made to continue this temporary agency on a permanent basis, which would be contrary to the expressed will of Congress.

Mr. BRIDGES. I should like to answer that by saying I believe the Senator is absolutely correct. I can definitely make that statement not only for myself, but for the administration as well. I left the little loophole I referred to because next year, if I am still chairman of the Committee on Appropriations, and have the responsibility of presenting a bill in response to a foreign-aid request, I do not want to have someone say, "I interpreted the Senator's statement to mean that this was out the window," and that nothing can be done about it. I agree that FOA should not be continued as a temporary agency. I agree that that is the intent of Congress. I agree that it should be the will and intent of this administration to abolish it. Certainly anything that is continued should be shifted to a permanent agency. I do not want to equivocate on that. However, I did not want to be interpreted as having overspoken, perhaps, if some part of this program should be continued next year.

Mr. MANSFIELD. I should like to make it very plain that I believe Governor Stassen has done an exceedingly good job in bringing about greater efficiency and lower expenditures, and also in the reduction of personnel. There is nothing personal about my attitude, because I was one of those who advocated that ECA, the so-called Marshall plan, end before June 30, 1952, as originally contemplated. With me, it is a matter of principle. I do not think we can speak on foreign policy with multiple voices.

So far as we can do it, our foreign policy should be handled by the State Department, a permanent and continuing organization. Even if it is a little difficult for it to take over some economic aspects of the program, I still believe that the State Department should meet that responsibility and take it over. I thank the Senator from New Hampshire, the distinguished chairman of the Committee on Appropriations, for his concise and straightforward answers.

Mr. BRIDGES. I believe the distinguished Senator from Montana has clarified the situation. He was wise to bring it up. I appreciate his doing so.

I should like to say further that not only do I agree, but I want it distinctly understood that it is my own feeling, as well as the feeling, as I interpret it, of many members of the committee of which I have the privilege to serve as chairman—and I am referring to Republicans and Democrats alike, because there is no partisanship exhibited in the committee—that we are giving of our substance and we are putting a terrific drain on the American taxpayer and upon the economy of this country, and therefore we must make sure, and increasingly so, that our aid is channeled to the places where it will do the most effective good for the mutual defense of the United States and the free world. We must emphasize that fact, as well as the fact that we look with some question on some of the programs of the past. Therefore we must make it plain that so far as the committee is concerned, unless that is done it will be increasingly difficult to get the support of the committee and of the Congress and of the American people to a continuation of the program.

Mr. MANSFIELD. I could not agree more thoroughly with the distinguished chairman. I am delighted to have his answers, and the answers of the distinguished chairman of the Committee on Foreign Relations to similar questions raised earlier in the week. I am satisfied that on June 30, 1955, if not sooner, FOA will be on its way out.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill, as proposed to be amended, be considered as an original text for the purpose of amendment, and that no points of order be waived.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Reserving the right to object, may I say to the distinguished chairman of the committee it is my understanding that alternative language will be offered as an amendment with respect to section 108. To that there is no objection on my part. I wish to be sure that the Senator from Nevada [Mr. McCarran] is not foreclosed in his opportunity to offer such language.

The PRESIDING OFFICER. The Chair will advise that after the adoption of the committee amendments the right of the Senator from Nevada to offer amendments, as well as the right of every other Senator, will be fully protected.

Is there objection to the unanimous-consent request of the Senator from New Hampshire [Mr. Bridges]? The Chair hears none. Without objection, the committee amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 1, after line 9, to strike out:

"Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,825,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76 million, plus not to exceed $39 million of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed $22,500,000 of such funds shall be available for administrative expenses to

carry out the purposes of title I, chapter 1, until June 30, 1955."

And in lieu thereof to insert:

"Military assistance: For military assistance as authorized by title I, chapter 1, $1,392,700,000 together with unexpended balances of appropriations heretofore made for military assistance: *Provided,* That not to exceed $3,932,092,283 may be oligated under this heading during fiscal year 1955, including not to exceed $3,770,392,283 for general military assistance as authorized by section 103, and not to exceed $161,700,000 for infrastructure as authorized by section 104 (a), and not to exceed $24 million for administrative expenses to carry out the purposes of title I, chapter 1: *Provided further,* That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200 million in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such mounts shall be in addition to the amounts herein otherwise provided for: *Provided further,* That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department."

On page 3, line 14, after "section 121", to strike out "$712,000,000" and insert "$700,000,000."

On page 3, after line 14, to insert:

"Production for forces support: For assistance authorized by section 122, $35,000,000."

On page 3, line 18, after "section 123", to strike out "$64,000,000" and insert "$60,000,000."

On page 3, at the beginning of line 22, to insert "as authorized by section 403."

On page 4, line 2 after "section 131 (b) (3)", to strike out "$86,000,000" and insert "$80,098,195."

On page 4, line 5, after "(c)", to strike out "$200,000,000" and insert "$205,000,000 and in addition, unexpended balances of funds heretofore appropriated under the head 'Relief and Rehabilitation in Korea,' in the Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation under the head 'Civilian Relief in Korea' in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation."

On page 4, line 16, after the figures $3,000,000", to strike out the comma and "and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head."

On page 5, line 3, after the word "section", to strike out "303" and insert "304", and in the same line, after the amendment just above stated, to strike out "$100,000,000" and insert "$110,000,000."

On page 5, after line 4, to insert:

"Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621."

On page 5, at the beginning of line 11, to strike out "305 (b)" and insert "306 (b)."

On page 5, line 14, after "405 (a)", to strike out "$10,000,000" and insert "$10,600,000"; in the same line after the amendment just above stated, to strike out "and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for 'Movement of migrants'"; and in the same line, after the amendment just above stated, to insert a colon and *"Provided,* That no funds appropriated in this act or any other act shall be used to assist directly or indirectly in the migration of any person to any nation in the Western Hemisphere who shall not first have been thoroughly screened for security in accordance with standards identical with those standards contained in the United States Immigration and Nationality Act."

On page 5, after line 22, to insert:

"Contributions to the United Nations refugee emergency fund: For contributions authorized by section 405 (c), $400,000."

On page 6, line 2, after "section 406", to strike out "$12,000,000" and insert "$13,500,000."

On page 6, line 6, after the word "Agency", to strike out "Not to exceed $23,063,250 of the unobligated" and insert "The unexpended."

On page 6, line 12, after "section 408", to strike out "$3,169,000" and insert "$1,169,000."

On page 6, line 18, after "section 410", to strike out "$1,075,000" and insert "$1,300,000."

On page 6, line 20, after "section 411", to strike out "$30,000,000" and insert "$34,700,000."

On page 6, after line 20, to insert:

"UNEXPENDED BALANCES

"The unexpended balances appropriated under each paragraph of the Mutual Security Appropriation Act, 1954 (except appropriations under the heads of military assistance and mutual special weapons planning) shall be consolidated with the appropraite appropriation made under this act, and shall be available for the same generai purpose and for the same period of time as the appropriate appropriation made under this act."

On page 11, beginning with line 21, after the word "Act", to strike out "and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such act shall be subject to the provisions of section 1415 of thc Supplemental Appropriation Act of 1953."

On page 11, line 11, after the numerals "1953", as proposed to be stricken out, to insert a colon and *"Provided,* That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out 'Committee on House Administration of the House of Representatives' and insert 'Committee on Appropriations of the House of Representatives', and (2) strike out 'Committee on Rules and Administration of the Senate' and insert 'Committee on Appropriations of the Senate.'"

On page 13, after line 9, to strike out:

"SEC. 107. Funds made available pursuant to this act may not be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will not result in one or more of the following conditions:

"(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

"(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the lease to potential enemies of information detrimental to the security of the United States;

"(3) Unjustifiable cost in comparison with procurement in the United States; and

"(4) Delays in delivery incompatible with United States defense objectives."

On page 14, line 5, to change the section number from "108" to "107"; and in the same line, after the word "than", to strike out "02" and insert "25."

On page 14, after line 7, to insert:

"SEC. 108. Of the $700 million in surplus agricultural commodities authorized to be disposed of under provisions of the Agricultural Trade Development and Assistance Act of 1954, not less than $55 million shall be provided to Spain during the current fiscal year: *Provided,* That 95 percent of the foreign credits generated hereunder shall be used to strengthen and improve the civilian economy of Spain: *Provided further,* That the Commodity Credit Corporation shall be reimbursed for the assistance furnished under this section from unexpended balances available under the Mutual Security Act of 1954."

On page 14, after line 18, to insert:

"SEC. 109. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocation, and no funds so allocated shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred, or unless the President in writing shall direct such action. Reimbursement from such allocation shall be made in accordance with the applicable provisions of law."

On page 15, after line 11, to insert:

"SEC. 110. The appropriations, authorizations, and authority with respect thereto in this act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, 83d Congress."

On page 15, after line 20, to insert:

"SEC. 111. None of the funds appropriated in this act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954."

On page 15, after line 23, to insert:

"SEC. 112. Shipping on United States vessels: Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 percent of the gross tonnage of commodities, materials, and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States-flag commercial vessels to the extent such vessels are available at market rates for United States-flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purpose of this act, to secure a fair and reasonable participation by United States-flag commercial vessels in cargoes by geographic area."

On page 16, line 17, to change the section number from "109" to "113."

Mr. HILL. Mr. President, is the Senator from New Hampshire about to yield the floor?

Mr. BRIDGES. Yes. I wish to make it possible for other Senators to have the opportunity to speak in the regular order. I should like to proceed with the amendments.

Mr. HILL. I have an amendment to offer, with which I think the distinguished chairman of the committee and the other members of the committee will be in full agreement.

The amendment I desire to propose would appear on page 12, section 105. This is the section intended to prevent use of counterpart funds of all sources for payment of debts of recipient nations, or for any purpose so long as the recipient permits a dependency to violate United States treaties.

The language in the bill now prohibits the use of these funds for payment of debts of recipient nations, whether it be funds carried in the pending bill or in previous acts. The bill now takes care of funds in this proposed act, so far as any recipient permitting a dependency to violate a United States treaty is concerned, but it does not take care of the matter of carryover funds.

The amendment which I am suggesting would be to add the words "or any other act" on line 24, page 12, after the word "act." The language then would read, "under this act or any other act."

Mr. BRIDGES. On what page of the bill would that be?

Mr. HILL. Page 12, line 24. The language now in the bill prohibits the use of counterpart funds. The proposed amendment would take care of any carryover counterpart funds, exactly as we take care of the carryover counterpart funds in the first part of the section, which deals with the use of counterpart funds for payment of debts of recipient nations.

Mr. DIRKSEN. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. DIRKSEN. I think we should have a little time to examine into this amendment.

Mr. HILL. That will be satisfactory.

Mr. DIRKSEN. Then, if the amendment is presented in the regular course, if there is no objection certainly the committee will go along with it.

Mr. BRIDGES. I might say that I have received a letter from the Secretary of State, which I have been trying to put my hand on, objecting to the general thought proposed. There are various other administrative officers who object to what the Senator is proposing. This action would affect them. I should like to have an opportunity to look at that letter and to study the amendment.

Mr. HILL. I shall be glad to submit the amendment to the Senator from New Hampshire [Mr. BRIDGES] and to the Senator from Illinois [Mr. DIRKSEN]. However, the bill now carries the provision with reference to counterpart funds. All this amendment would do would be to take care of any carryover counterpart funds.

Mr. McCARRAN. Mr. President, I call up my amendment for additional aid for Spain, which I submitted yesterday, and which was ordered to be printed and lie on the table.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 14, line 8, it is proposed to strike out section 108 and insert the following:

SEC. 108. Fifty-five million dollars of the unobligated balances continued available under this act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided*, That the limitations on obligation of military assistance funds during fiscal year 1955 shall not apply to such assistance: *Provided further*, That 95 percent of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States.

Mr. McCARRAN. Mr. President, this amendment differs from the original committee amendment only in that it provides that the surplus commodities will be made available under the provisions of section 402 of the Mutual Security Act of 1954, rather than under the provisions of the Agricultural Trade Development Act of 1954. In my opinion, this is a better and more orderly way of providing this additional aid, since all of the authority is contained in one law, which obviates the necessity of utilizing the provisions of the Agricultural Trade Development Act of 1954. My amendment carries the same amount of aid as the committee amendment. My amendment provides, as does the committee amendment, that this additional aid shall be in the form of surplus commodities and that foreign credits generated shall be used to bolster the civilian economy of Spain. This last provision is strictly within the authority contained in section 402 of the Mutual Security Act of 1954. In addition, my amendment provides that this will not reduce the amount that could otherwise be obligated for military assistance to friendly countries.

Mr. President, section 402 of the Mutual Security Act of 1954 provides in part as follows:

Foreign currency proceeds accruing from such sales shall be used for the purposes of this act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this act.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 has for one of its purposes paragraph (E), which reads as follows:

For promoting balanced economic development and trade among nations;

Therefore, Mr. President, what my amendment seeks to do in the last proviso is completely in harmony with both the Mutual Security Act of 1954 and the Agricultural Trade Development and Assistance Act of 1954.

I have every reason to believe that this substitute amendment will not be objectionable to the Foreign Operations Administration. I have been very reliably informed that officials of the Foreign Operations Administration would have no objection to additional aid for Spain and recognize that under present conditions the $30 million provided in the estimate will not be sufficient. Apropos of this, Mr. FitzGerald of Foreign Operations Administration testified on page 689 of the hearings before the House Foreign Affairs Committee as follows:

In addition to the unfavorable weather of last year, Spain early this spring, was very adversely affected by heavy frosts which did very substantial damage to the citrus crop. Citrus is one of the largest foreign exchange earners in Spain, and current estimates are that this sharp fall in the citrus crop will, during the next 12 months reduce Spanish foreign exchange by another $40 to $50 million a year.

Our recommendations in respect to economic aid, defense support for Spain for fiscal 1955 of $30 million were developed prior to their frost.

Mr. President, the political situation in Spain is peculiar at this time due to the fact that the Spanish people are very much upset by the propaganda that is being spread by the enemies of the free world that the recently concluded agreements with the United States will simply result in Spain becoming a target for a Russian A-bomb. This propaganda is becoming increasingly effective and was stepped up when word reached Spain through the press that American economic aid was to be reduced from $85 million in 1954 to $30 million in 1955. It is, therefore, imperative that the proposed 1955 amount be increased and that the increase go to strengthening the Spanish civilian economy. It is particularly important that any counterpart generated by this additional amount also be utilized for the same purposes. Only in this way can the Spanish people be given reassurance that the United States is truly interested in something more than using Spain as a base to launch air attacks on our enemies.

Mr. President, so as to not unduly take up the time of the Senate, I should like to summarize very briefly a few points which are pertinent to the consideration of my amendment. These points are as follows:

First. American bases in Spain will be permanent and in case of an attack on Europe will be among those which are defended until the last. This point has been insisted upon by members of the Appropriations Committee and by the chairman. Therefore it is vital that we should concentrate on Spain in all respects—of which the civilian economy is just one.

Second. FOA as of June 30, 1954 had $2.6 billion in unobligated and unexpended balances. In addition, FOA has $7.1 billion in unexpended balances—much of which can also become unobligated under the provisions of section 1111 in the 1955 supplemental bill. Therefore utilization of $55 million of these balances for Spain will not interfere with the FOA program.

Third. Spain is a latecomer into the mutual security picture and therefore her civilian economy needs more emphasis than those countries which have participated in the economic aid program from the beginning. The bill provides funds to promote economic development and to assist in maintaining the econ-

omy of countries in the Near East and Africa; south Asia; and Latin America. The compelling reason for including economic aid funds for these countries is that they too must be helped economically if they are to perform their role in helping to retain the free world. This compelling reason for including these countries applies eminently to Spain in all respects.

Fourth. Spain by virtue of the agreements with the United States, which she freely entered into, does not enjoy the favorable treatment afforded other nations in the utilization of economic aid counterpart funds to bolster the civilian economy. We have poured billions in economic aid into France and Italy and both are unknown quantities today as to whether they will go Communist or not. In Spain we have a known quantity—we know that not only will she not go Communist, but that she will stand by our side to the end in the case of an attack by the Communist world.

Fifth. It is vital that the Spanish civilian economy be bolstered by some direct economic aid so that the Spanish people will see that the United States is interested in something more than making Spain a target for an atomic bomb. Spain now has one of the lowest standards of living and per capita income of any country of Europe.

Mr. President, my amendment would not require the appropriation of additional funds, but would result in the utilization of existing balances, and the aid would be in the form of surplus commodities. The counterpart generated would be used to bolster the civilian economy of Spain. With the civilian economy improved, with a strengthening of the Spanish military forces and with United States bases, Spain will stand as a bastion against any onslaught on Europe by the Communists.

Mr. President, this amendment, although small in amount, is vital to the eventual defense of the United States. I hope, therefore, that the Senate will approve the amendment.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. DIRKSEN. Has the Senator from Nevada completed his argument on this amendment?

Mr. McCARRAN. I have.

Mr. DIRKSEN. Mr. President, I may say, with respect to this amendment, that it does not increase the amount which would be available for Spain. The amendment would be limited in its provisions entirely to surplus commodities. However, this action would cause the amount to be taken from the unobligated balances in the pending bill, rather than having it charged to the $700 million fund under the agricultural trade development and assistance program. I believe this is a better legislative technique. I think I can say on behalf of the chairman that we would be glad to accept this language, with the understanding that if it does require some adidtional modification, that could be done in conference.

Mr. McCARRAN. I might say the original amendment was adopted by the committee.

Mr. DIRKSEN. That is correct.

Mr. McCARRAN. This is only a perfecting amendment.

Mr. DIRKSEN. That is correct. It is in the nature of a perfecting amendment.

Mr. THYE. Mr. President, will the Senator yield briefly?

Mr. McCARRAN. I yield.

Mr. THYE. This matter was discussed previously in committee hearings and in committee study. I believe it is a very sound approach not only for the purpose of aiding and strengthening the Spanish economy, but also for effecting a saving for our own United States Treasury. For that reason, I hope the committee will most certainly accept this amendment as a part of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

Mr. SMITH of New Jersey. I should like to ask the chairman of the committee a question with regard to the provision appearing on page 5, lines 5 through 8, which reads as follows:

> Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621.

Since I shall be serving as a member of the United States delegation to the General Assembly of the United Nations this fall, I am very much interested in the recommendation of the Committee on Appropriations on the administration's request for the United Nations technical-assistance program. I note that the committee has allowed $9,957,621 of the $17,958,000 authorized for the program for fiscal year 1955. I understand this is to cover the amount pledged last year by representatives of the United States to the United Nations for the calendar year 1954, for carrying out the multilateral program. No funds are provided for the calendar year 1955.

I should appreciate having the distinguished chairman of the committee clear up certain language in one paragraph in the committee report, which I do not fully understand. The language is as follows:

> This appropriation is made with the understanding that no further pledge shall be made to the United Nations for the expanded technical-assistance program by any representative of the United States Government without prior authorization by the Congress of the United States.

I am entirely in accord with that statement, but I desire to be certain as to its meaning, so that those who are planning to attend the General Assembly this year can be governed by the interpretation made by the chairman of the committee.

Am I correct in assuming that at the conference which is to be held at the United Nations this fall during the General Assembly, the United States representative may tentatively commit the $8 million already authorized in the mutual security bill for the first half of the calendar year 1955, subject to the appropriation of funds?

Mr. BRIDGES. As the distinguished Senator from New Jersey knows, the House did not include 1 cent for this item; it completely outlawed the item. Feelings in many parts of the country are strong on this matter, judging by the protests which have come to our committee and to the House committee as well. So the Senate committee included $9,957,621 to cover the amount pledged by representatives of the United States to the United Nations during the remainder of the calendar year 1954.

Beyond that, we have indicated our intention during the interim to study the situation and the various elements which enter into it, so that as of the first of the year we shall be prepared to pass more intelligently and accurately on the necessity for the rest of the authorized amount.

The matter about which the committee and a great many other persons in Congress are concerned is that it is not desired to have representatives of the executive department, or their successors or predecessors, who will attend the United Nations meeting, pledge something which will commit Congress and the country to expenditures, until the respective committees of Congress, and Congress itself, shall have had an opportunity to pass upon them. I am certain that the distinguished Senator from New Jersey, able and skilled as he is, who will soon represent our country in the United Nations meeting, will understand that.

We realize that the representatives of the United States must examine the situation and must explore the possibilities, and reach perhaps a tentative formula or arrangement for the coming months or the coming year. But the committee desires to have leeway left, so that it will not be faced with an accomplished fact. We want to have plenty of latitude in which to explore requests for appropriations when they are submitted to us. We do not desire to have representatives of the executive department come before the committee and say, "We have pledged this sum," and then say nothing more.

Mr. SMITH of New Jersey. I thank the Senator from New Hampshire.

Mr. DIRKSEN. The difficulty arises from the fact that the United Nations operates on a calendar-year basis, not on a fiscal-year basis. When the United Nations budget is prepared, it is well in advance of the time when Congress begins its work on appropriation bills. The United States member of the Budget Committee of the United Nations then makes his commitment. I have always contended that if his commitment were considered to be good, Congress would actually be surrendering its power over the purse. That was the reason for including such a provision in the bill, with the understanding that the pledge which has been made for 1954 will be fulfilled. We can continue with the pledge for fiscal 1955. Then in January the whole matter can be considered in more detail by Congress.

Mr. SMITH of New Jersey. Then, so that the situation can be made perfectly clear to the United Nations, it might be considered that the authorization is

already in existence, under the act passed this year, for the first half of 1955. That has been acted on by the Committee on Appropriations.

I thank the chairman of the committee and the Senator from Illinois for their exposition of the matter. I think it is important to have it in the RECORD, so that when we are in attendance at the General Assembly, we can explain the limitations on our power to commit the United States.

THE SO-CALLED MUTUAL SECURITY—FOA—A TRAVESTY ON THE AMERICAN TAXPAYER

Mr. MALONE. Mr. President, I think it is time that the United Nations and the nations of Europe understood that Congress is responsible for the appropriations—not Mr. Stassen and not Mr. Dulles; and it is time that Members of Congress understood that they are responsible to the taxpayers of the Nation for the appropriations they make.

Congress should stop all gifts and grants to foreign nations, and stop persons who have no responsibility, who are not elected, and who are not responsible to Congress, to commit the taxpayers and the Congress to foreign nations throughout the world without a return of any kind, not even loyalty or friendship.

I intend to vote and work against this bill.

Mr. MAYBANK. Mr. President, I wish to announce that I shall suggest the absence of a quorum and ask for the yeas and nays when my amendment is reached.

APPRAISAL OF THE NATION'S AIRPOWER PROGRAM

Mr. SYMINGTON. Mr. President, last Saturday afternoon the senior Senator from Massachusetts, who is chairman of the Armed Services Committee, talked on the floor. He spoke on an appraisal of the Nation's airpower program.

I was in Tennessee at the time, but have now gone over this appraisal, one which concerns perhaps the most vital of all the grave problems facing this Nation today.

In fact, it would now appear that the very survival of the free world depends largely upon the strength and adequacy of its airpower—Air Force airpower and naval airpower.

Recent events in Indochina have confirmed a now familiar and unhappy fact: we are not going to try to contain communism.

Certainly we are not going to try to contain this evil on the ground.

How, then, do we propose to contain it?

Unless we have airpower superior beyond question, what other means is at our disposal for halting the advance of Communist forces when they decide to march again?

The senior Senator from Massachusetts stated his was a "calm and objective appraisal" of the airpower program.

It was calm—so calm, in fact, I was reminded of the rosy optimism which prevailed in 1950, just prior to the outbreak of the Korean war.

In the talk last Saturday there were many reassuring words to the effect we now have the best of all possible air forces, in the best of all possible worlds.

There was scarcely any mention of the ominous and growing Red air force, or the rising worldwide Communist threat against the security of the free world.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield to my distinguished colleague from Oregon.

Mr. MORSE. Based upon the knowledge of the distinguished junior Senator from Missouri concerning Air Force problems—and I doubt if there is any person in the country, let alone any Member of the Senate, who knows more about them than does the Senator from Missouri—could he state his estimate of the number of Russian planes which could come through and deliver their bomb loads on American cities and targets if a Russian air Pearl Harbor should start tomorrow?

Mr. SYMINGTON. I thank the distinguished Senator from Oregon, not only for his gracious remarks, but also for allowing me an opportunity to answer his wise question. I do not believe there is anybody who thinks that less than 90 percent of the planes which would attack this country today would get through our present defenses.

Mr. MORSE. I want to thank the Senator from Missouri for that answer, because when I was a member of the Committee on Armed Services, I never heard a top American Air Force official ever fix the number at less than 60 percent. In my judgment, the speech of the senior Senator from Massachusetts last Saturday, and the newspaper stories that were based on that speech, had the very detrimental effect of giving the American people a false sense of security. The point that the Senator from Missouri has just made is that the American people need to know how false that sense of security is. As long as our air experts continue to deceive the people into believing that only from 60 to 75 percent of those planes would get through our defenses, I cannot be counted among the Eisenhower supporters in connection with the Eisenhower air program, because, in my judgment, this administration should have moved forward at a much more rapid rate than it has done in order to protect the security of this country.

Mr. SYMINGTON. Mr. President, nor was there any mention whatever of the increasing Soviet stockpile of atomic and hydrogen bombs. Nor was there mention of Soviet progress in long-range guided missiles; missiles which, in a few years, will be able to reach this country directly.

On reading this appraisal of airpower by the Senator from Massachusetts, for whom I have great respect, one would think that the only threats against the security of the United States were long ago and far away.

Again, I agree the appraisal was calm—so calm as to appear to be concerned with events in another planet; so calm, in fact, as to appear almost self-complacent.

I cannot agree, however, that the Senator from Massachusetts' appraisal was either objective or nonpartisan. Most of it apparently was designed to criticize the program of the previous administration, which called for a rapid buildup, and to praise the present administration's program of a slow and leisurely buildup.

Much of the talk listed all the advantages which can be gained by slow and leisurely procedures which have, and will, postpone by several years the attainment of that airpower everybody now considers necessary for the defense of the United States.

It is true, of course, that the program of the previous administration was an emergency program. The emergency came as a result of this country finding itself at war on the mainland of Asia against Communist Korea and Communist China, supported by Communist Russia.

It was a program begun when a mere handful of modern F–86's possessed by our Air Force was heroically standing off hundreds of Russian-built MIG–15's.

At that time a great sense of urgency inspired the leaders and the people of this Nation to do a big job and do it fast.

Of course, there was a certain amount of waste involved. There were slippages, and modifications, and other difficulties which inevitably result from handling any production problem with extraordinary speed.

But, Mr. President, once a new program is well established such difficulties subside; and this was already the case when the present administration came in about a year and a half ago.

As General Vandenberg stated many times in early 1953, by that time aircraft production had ceased to be the major problem facing the Air Force. The major problem was personnel.

The Senator from Massachusetts stated last week that the Air Force program was out of balance in 1953. That is true. The debate on the budget a year ago showed it to be true.

The Air Force was doing fairly well in the production of aircraft, but was having trouble getting its bases built on time, and was having trouble obtaining and holding sufficiently trained skilled personnel.

One of the principal reasons why the program was out of balance, as the debate of a year ago brought out only too well, was the fact this administration had held up or canceled many base construction projects.

The principal difficulty in personnel arose because the new administration imposed an arbitrary manpower ceiling which prevented the recruiting of thousands of new men a month at a time when these very men were seeking to join the Air Force, and as a result of that ill-considered action the Air Force is critically short of personnel today.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator recall when the administration, more than a year ago, made a $5-billion cut in the air budget?

Mr. SYMINGTON. I do.

Mr. MORSE. Does the Senator recall that as a result of that cut, a large number of men, including a large number of pilots, were let out of the Air Force, and they were told by the Air Force that the reason they were being let out was because of the cut in the budget?

Mr. SYMINGTON. I do.

Mr. MORSE. Does the Senator recall that a great number of those men were not reservists, but were men who wanted to make a lifetime career out of their Air Force service, and that by letting them out the result was bound to be that when they were replaced later on they would have to be replaced, at least in part, by reservists who had already served their stint?

Mr. SYMINGTON. The Senator is correct.

Mr. MORSE. I had a great many conferences at that time with many of those men, because when I was on the Committee on Armed Services, I served on a subcommittee that dealt with military personnel, and I continually fought to better the condition of the military personnel. I fought to develop a program within the Military Establishment that would encourage men to come into the service for a career, and relieve the reservists of this country from being brought into military service after having served their stint.

I think one of the most unfortunate things that happened as a result of that cut in the Air Force, from the standpoint of the personnel problem, was that it resulted in letting out of the Air Force a great many needed pilots, and a great many men serving in personnel capacities, who should have been kept in on a career basis. I am glad the Senator from Missouri is pointing out the personnel problem in this particular speech.

At that time I conferred with Air Force officials in the Pentagon building. They said, "Senator, you are completely right about this as a matter of principle and policy, but there is nothing we can do, and we are not going to come out publicly and make an issue out of this, because, as good soldiers, we have to go along; but we wish you were still on that committee, fighting for the personnel problem as you did when you were on that committee."

Mr. SYMINGTON. I thank the Senator for his remarks. I join with the many who believe that the Senator from Oregon would have made a great contribution if he had been allowed to stay on the Armed Services Committee. Yes, the program was out of balance and the actions taken by this administration forced it still further out of balance.

In one respect at least we are holding our own with the Communists. We can pat ourselves on the back about as effectively as they can.

We can cut our Air Force budget by $5 billion, cut its personnel program by a quarter of a million people, cancel more than $2 billion in airplane contracts, and still boast that these actions are increasing rather than decreasing our total air strength.

The Russians may boast they invented the adding machine, but surely they can do no better than claim subtraction is really addition; and that we have added to the strength of our Air Force by cutting away from the previous program money, bases, planes, and people.

It was one thing to say, and I quote from the talk, "the most important development in national defense at this time is air power," and another to reduce steadily appropriations for air power, to cut down the procurement of aircraft, and to hold the Air Force below an artificially imposed ceiling on manpower.

The talk of last Saturday even went so far as to claim that everything possible is being done, and that funds are not the limiting factor.

To me, this is a strange argument, indeed. It is the responsibility of the Congress to provide funds for the national defense. To say we have provided all the funds which could be used profitably is an incredible statement.

We are not matching some of the progress of the Communists, either in quantity or quality, of airpower, despite the fact the Russians do not have a productive base that in any way is comparable to our own.

As example, there is no question that the Communists are catching up with us in the development and production of long-range jet aircraft. Yet, according to this recent talk, there is nothing more this great Nation can do to hold its lead.

Everyone knows that if we become involved in a war tomorrow, even in another relatively minor war, such as Korea, we would be forced to make far more effort than we are making now and would begin by appropriating more funds.

That would be first. It is the first thing we would do today to speed up progress in the building of our airpower.

Mr. MAYBANK. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from South Carolina.

Mr. MAYBANK. I hope the Senator from Missouri will not refer to the Korean war as a minor war, in view of the very great number of casualties our troops suffered there, and also in view of the great sums of money we spent in connection with that war. Of course, subsequently, in Indochina, the United States paid half the French expenses.

So I trust that the Senator from Missouri will not refer to the Korean war as a minor one.

Mr. SYMINGTON. I referred to it as a "relatively minor war." I thank the distinguished senior Senator from South Carolina for his comment. He is entirely correct in that it was a very serious war. I used the term "relatively minor" only because I was differentiating it from a global world war.

Mr. MAYBANK. Let me say that I have the utmost respect for the distinguished junior Senator from Missouri, the former Secretary for Air. I have called his attention to that point only because I thought the Korean war was a major war, and, furthermore, because I think the blunders made in connection with it will lead to future troubles of a most serious sort.

Mr. SYMINGTON. I thank the distinguished Senator from South Carolina for his contribution. I believe the Korean war was a major war, and I am glad to have his observation and help on that subject.

The Senator from Massachusetts contends that the proposed buildup to 137 wings is big enough, and will be completed quickly enough, to keep us safe and secure; and he supports this contention by citing the position of the Joint Chiefs of Staff.

But I find that the present Chief of Staff of our Air Force recognized from the very outset that this 137-wing program was somewhat optimistic.

Many months ago General Twining gave early warning that if the Communists continued their efforts to overtake us, we would have to revise our air-power plans.

Since that time, new and more powerful Soviet aircraft have been unveiled, and I have heard no one assert that there is any evidence the Communists have slowed their efforts toward air supremacy.

Without going into detail on the appraisal of air power presented by my distinguished colleague, I in turn present several points in his address which would appear to be misleading—points which I believe can produce an unjustified and dangerous sense of security if allowed to pass unquestioned.

The Senator from Massachusetts calls attention to the fact that "the number of combat wings is the same, but the composition of the force has been significantly altered. The number of air defense wings has been substantially increased."

But he fails to mention that the number of offensive wings has been decreased by an equal amount.

This is truly significant. The significance is that the increase in Russian air striking power has already forced us to somewhat shift our own emphasis from offense to defense.

Such a trend can be fatal in warfare. It was fatal to the Nazi Air Force in World War II.

When the Nazis cut down their bomber production in order to concentrate on defensive fighters, as General Spaatz has often said, he and his staff knew the Nazi fate was sealed; because you do not score while you are on the defensive. All you can do on the defensive is postpone defeat.

Mr. MORSE. Mr. President, will the Senator from Missouri yield to me for a question?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. SYMINGTON. I yield.

Mr. MORSE. I am glad the Senator from Missouri has mentioned General Spaatz, for whose knowledge I have a very, very high regard, not only in respect to his knowledge of American airpower problems, but also in respect to his knowledge of airpower throughout

the world. I read with a great deal of interest his articles, which are printed periodically in the newspapers and magazines.

Am I correct when I say that General Spaatz has, through his pen and also through his lips, continuously warned the American people that the decline in aircraft construction in the United States does not auger well for either the defense of the United States in case of attack or for a successful offense in case of war?

Mr. SYMINGTON. The Senator from Oregon is entirely correct. Since the death of our late great air general, H. H. "Hap" Arnold, our highest ranking living air general in World War II is General Spaatz. All I can say is that if some of the policies of this administration with respect to airpower are correct, then General Spaatz does not know what he is talking about and General Spaatz is considered a genius on airpower.

Mr. President, we have added wings to our defense by subtracting wings from our offense. But everybody knows it is offensive power that turns the balance. Surely no one should take comfort in this development.

The Senator from Massachusetts quotes the Chairman of the Joint Chiefs as saying that United States national airpower is superior to that of any other nation. While this statement is supportable in some respects, it is dangerously unsupportable in others; because the important fact, not mentioned by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], is that the Reds have more than half again as many planes assigned to active combat units as the United States Air Force, Army, Navy, and Marines, combined.

This fact has been well known for some time. Recently efforts have been made to obscure it by counting all the trainers, liaison craft, and sometimes even the civil-reserve transport fleet, as a part of the United States aircraft inventory.

Mr. MORSE. Mr. President, will the Senator from Missouri yield to me for another question?

Mr. SYMINGTON. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Am I correct in my understanding that when we listen to statements such as that made by the Chairman of the Joint Chiefs of Staff, in which it is said that our national airpower is superior to that of any other nation, that general observation fails to take into account the points of weakness of our airpower in case of an all-out war; and it is those points of weakness which really endanger the success of the United States in case of a war?

Mr. SYMINGTON. The Senator from Oregon is entirely correct.

Mr. MORSE. In other words, am I correct in my understanding that if we were to get into world war III tomorrow there would be little hope that we could provide Europe with the air defense which Europe would need in the first few days and weeks of that war—with the result that great strategic points in Europe, such as England, Germany, and, for that matter, France, undoubtedly would be subjected to such devastating attack that it is doubtful that they would be of much use to us within a few weeks after the beginning of the war?

Mr. SYMINGTON. I prefer not to answer categorically that question of high strategy; but I would say to the distinguished Senator from Oregon that, especially after the trip the distinguished Senator from New Hampshire [Mr. BRIDGES] and I took over Europe, last March, I believe what the Senator has said is correct, based on the air strength now available on the European Continent. England is in a somewhat better position.

Mr. MORSE. I agree with the Senator from Missouri, and I have no intention of eliciting from him, or disclosing, as a result of my own knowledge, certain facts; but in my judgment in this case we are dealing with the lives of Americans and with the security of our Nation, and I think the American people need to be awakened to the importance of our giving the support that is needed to build up a true air superiority.

I direct the Senator's attention to that last phrase. Do we not have to face the fact that true air superiority for the United States requires true air superiority in Europe as well as in the continental United States?

Mr. SYMINGTON. There is no question about that. The more airpower the free world has, the greater the strength of the free world.

Mr. MORSE. The last question I wish to raise, then, is this: When we are talking about American air strength, is it not necessary that our airpower program be correlated and coordinated with the airpower of England and the rest of our allies so that we can protect the security of Europe from successful attack from the Russians as well as protect the United States?

Mr. SYMINGTON. I believe the farther away the launching point of any attack by any possible enemy, the greater the security of the United States.

Mr. MORSE. One more question: Does it not obviously follow that if Russia is allowed to develop superiority in striking power so she can quickly subdue Europe, the security of the United States will be greatly endangered if we then have to stand against Russia alone in any air war?

Mr. SYMINGTON. I believe the Senator from Oregon is correct. Although I am not criticizing in any way the mutual security program which will shortly be further discussed by my distinguished colleague from Illinois [Mr. DIRKSEN], I should like to point out what is in effect a paradox; namely, at the same time we are contributing billions more to other countries, we are now carrying out our program of cutting our own air strength many billions of dollars and hundreds of thousands of men.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield to my distinguished colleague from Arizona, especially because I know of his great experience and authoritative knowledge on matters of airpower.

Mr. GOLDWATER. The remarks of the Senator from Oregon prompt this question: At any time during his long experience with the Air Force has the Senator from Missouri known of any plans that conceived the mission of the United States Air Force as not including the defense of Europe?

Mr. SYMINGTON. The mission of the free world, as developed by the President, the National Security Council, the Joint Chiefs of Staff of the United States, and the leaders of other countries, has to the best of my knowledge, always embraced a joint effort involving the protection and security of the United States, Europe, the British Isles, the North African littoral, and other free-world countries, especially since in most of those countries we now have our own airplanes and troops.

Mr. GOLDWATER. Is it not true that the program was begun under the management of the distinguished Senator from Missouri, that is, that we cooperate with the countries of Europe in their continental defense and that we coordinate our aircraft production with theirs? For instance, the defense of England requires interceptors; the defense of the continental United States does not require the same type plane. We have not overlapped in production. I believe that coordination was started under your program. Is that not true?

Mr. SYMINGTON. I thank the Senator from Arizona. I am not sure I could give a categorical yes or no answer to his question; but I shall get the facts and present them to the Senator, even if I cannot do it this afternoon in sufficient detail or accurately enough.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. If I understand correctly the question of the Senator from Arizona [Mr. GOLDWATER], I am perfectly willing to make this comment, and I think it can be done within the proprieties. I have inspected, I believe, a majority of American air bases abroad, in Europe, and the Arctic, and I have inspected a great many of the airbases of our allies. I thought it was generally understood that under NATO the program is to have a joint coordinated air offense and air-defense program in case of a war with the Soviet Union. One cannot conduct the inspections and the investigations that I participated in as a member of the Armed Services Committee and not be aware of the fact that we cannot approach our air defense in this country without taking into account the air program of our allies, because in case of war it becomes a unified program.

I think it is very true that when we come to decide what the appropriations in this country shall be for our airpower, we must take into account the allied air program. Unless the allied air program is kept strong, we are just cutting off our own defense nose. Of course, if the impression ever gets abroad, in England, France, Germany, or in any other of our allies that we are going to take a singular nationalistic approach to airpower, then I think we are playing right into the hands of the Russians, because we will create great doubts in the minds of our allies as to whether or not they can count upon us to execute the coordinated program which has been the

program—at least I have assumed it has been—up to this time.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question on that point?

Mr. SYMINGTON. I am glad to yield for a question to my distinguished colleague from Arizona.

Mr. GOLDWATER. Mr. President, would the Senator from Missouri say there is anything nationalistic about the mission of the Strategic Air Command?

Mr. SYMINGTON. The mission of the Strategic Air Command cannot be described as nationalistic or internationalistic.

Mr. GOLDWATER. Would it tend to be more internationalistic than nationalistic in its original concept?

Mr. SYMINGTON. If we were attacked, the citizens of my State of Missouri would believe the retaliatory effort of SAC was nationalistic; and, as the planes of SAC proceeded to avenge an attack upon us, the citizens of, say, a free European country would consider it internationalistic.

Mr. GOLDWATER. I thank the Senator for that comment. I gathered from the remarks of the Senator from Oregon that he might have felt that airpower or air superiority was being interpreted a little differently by the Eisenhower administration, whereas, in effect, it is merely a continuation of what has been the interpretation of airpower since World War II.

Mr. MORSE. Mr. President, will the Senator yield for a brief comment?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. It has always been my understanding, as I think the RECORD will show I said in my previous remarks, that we recognize the importance of an air program coordinated and correlated both offensively and defensively, with that of our allies. I had sought to bring out earlier in my remarks that it happens to be my judgment that the cut in the budget for airpower under the Eisenhower administration, to which the Senator from Missouri is now directing his remarks, was a great mistake, because it weakened our own defense here at home and, in my judgment, it weakened our position abroad and the position of our allies as well, as far as airpower against the Russians is concerned.

Mr. SYMINGTON. I agree entirely with the Senator.

Mr. GOLDWATER. Mr. President, will the Senator yield for one more question, and then I shall let him continue his very interesting discussion.

Is it not true that this very day we are better equipped to take care of our international air problems than we were a year ago or 2 or 3 or 4 or 5 or 6 years ago?

Mr. SYMINGTON. That is a question which I hesitate to answer in detail, because I am taking too much time. However, I am glad the Senator asked it. We were down to 42 groups just prior to the Korean war, and at that point—which, incidentally, was the point at which I left the Air Force—this country was in a serious state of unpreparedness. I have always said that, and I am glad to restate it. Nevertheless, the fact we are steadily increasing our air strength, and have been ever since the early summer of 1950, is not the important point.

The important point is the relative increase of our strength as against the relative increase of strength of the airpower of the evil rulers of the Kremlin. It is true that today we are stronger in the air than we have ever been in peacetime; and I believe it is also true that we are stronger on the ground. On the other hand, that is not the important point. The important point is the relative strength of our air, sea, and ground forces as against the only known enemy to the free world, the Communists.

Mr. GOLDWATER. What I wanted to bring out was that the basic strength of the United States Air Force today is in the Strategic Air Command. I do not believe that anyone can argue that the Strategic Air Command has not done a commendable job all through the build-up over the period of years, around the globe, so that we can accomplish the stated mission of our Air Force.

The relative strength of the Air Force of the Soviet Union and of the Air Force of the United States can be tested only in one place, and the Senator from Missouri knows as well as I do that that is the ultimate battlefield of the air.

The figures which the Senator from Missouri discusses and the figures which I discuss—and I think they are approximately the same—could be used to argue either way.

I thank the Senator for allowing me to interrogate him.

Mr. SYMINGTON. I thank the distinguished Senator from Arizona for his contribution. He has had great experience in the field of airpower, and he himself was a well known and famous member of the Air Force during the war.

The strength that would count today at the beginning of any possible war is combat strength—strength in being—ready strength.

Efforts to obscure the disparity in combat strength between this country and Russia by including other types of aircraft are misleading and dangerous.

The senior Senator from Massachusetts states that if the original 143-wing program had been continued "a sudden and drastic reduction in aircraft production would have followed to the point of practically closing down the industry."

To me, as one who has had experience in manufacturing, this statement hardly makes sense.

The aircraft production required to sustain 143 wings would be the same regardless of the time when the 143 wings were attained.

Then the Senator from Massachusetts states that the percentage of wings in the highest category of combat readiness has improved by 70 percent over March 1953.

This is an interesting figure. It implies that the Air Force has improved its readiness to a startling degree.

Now let us look at the facts.

Since the rate of wing growth in the Air Force has been slowed down, but the delivery of airplanes has continued, of course there has been some improvement in the readiness of existing units.

But lest the American people be misled, let me introduce another statistic: In the two lower categories of readiness there are just as many Air Force wings as there were in March 1953.

Let us not becloud this grave issue further by offering up tricky statistics.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield to the distinguished junior Senator from Massachusetts who has been so consistently interested in our problems of national defense.

Mr. KENNEDY. I should like to compliment the Senator from Missouri, because for the past 18 months he has been the strongest voice in the United States Senate in favor of building up our air strength and in opposition to the idea of a stretchout.

In the speech made last Saturday by my distinguished colleague, the senior Senator from Massachusetts, mention was made of the relatively low level of obligations for aircraft and related procurement during the first 10 months of the past fiscal year. The fact is that in fiscal 1953 the Defense Department total of obligations incurred for aircraft production and procurement was $11.7 billion. But for fiscal 1954, this fell to an estimated $1.4 billion. Can we expect this tremendous drop in obligations incurred of an estimated 90 percent, during fiscal year 1954 in comparison with the 3 previous years, to result in anything but a drop in 1955 and 1956 and 1957 in the rate of aircraft production and deliveries in the United States?

Is it not a fact that this lag in new obligations is going to have a tremendous effect upon the number of aircraft available in 1956 and 1957?

Mr. SYMINGTON. There is no question about it, and I thank the Senator for his gracious remarks.

Mr. KENNEDY. Is it not a fact that under the Truman-Lovett budget, it was estimated that we would get about 800 aircraft a month through 1954 and 1955, and that then it would drop to 300 a month; but that under the proposed schedule it has been stated that we are now getting about 500 a month, next year it will drop to 400 a month, and at the end of 1957 it will be 200 a month? Is not anyone who says we are going to be in better shape in 1957, than we would have been under the Truman-Lovett budget, just ignoring the plain, harsh facts of our aircraft production?

Mr. SYMINGTON. I honestly do not know about those figures. I have never seen them, as they are now being presented by the distinguished junior Senator from Massachusetts. However, I will say that these figures follow the overall pattern of a concerted reduction in our airpower and in the strength which comes from the production of modern airplanes.

Mr. KENNEDY. I would say to the Senator that I think it is inevitable, even though these figures may be changed in coming years—and there has been a recent upturn—and that this tremendous drop of an estimated 90 percent from fiscal 1953 to 1954 in the new obligations incurred for aircraft will have a debilitating effect on our airpower and its readiness in the next 2

years, years which will be very vital years to our security.

Mr. SYMINGTON. That is correct.

Mr. KENNEDY. I thank the Senator again for bringing out these facts.

Mr. SYMINGTON. I thank the Senator for his contribution.

The truth is that the Air Force is making progress, but both its progress and its growth have been slowed down.

Has the progress and growth of the Red Air Force been slowed down?

Therein lies the great and growing danger.

The senior Senator from Massachusetts asserted that production of such new plane models as the F–100 supersonic fighter, the B–52 long-range bomber, and the B–66 short-range bomber are proceeding satisfactorily.

Well, he is easily satisfied, because now it is common knowledge that Soviet Communist production of comparable new types of aircraft is improving faster than ours.

As example, we have far fewer F–100's than the Communists have MIG–17's; and thousands fewer B–57's and B–66's than the Reds have IL–28's.

Now as to our modern longe-range bomber, the B–52, should we boast about its production in this fashion, when we have produced exactly 3, including 2 prototypes. Prototypes are not generally considered production aircraft, and they should not be. They are generally "hogged out" on engine lathes in the toolroom and by special temporary dies.

How many B–52's would this recent talk make you believe were now in the hands of the Air Force?

The fact is only one.

Inasmuch as there has been a great deal said about the production of B–66's, let us ask how many B–66's this talk would make us believe are now off any productive line and in the hands of the Air Force?

The fact is none.

Does this record justify any such statement that the production of our modern fighters and bombers is proceeding satisfactorily?

While we coast along on the impetus given our program in 1951 and 1952, the Reds are driving relentlessly and are coming up fast.

If these figures are true—and I challenge anyone to dispute them—where is the satisfaction?

Now as to perhaps the most important question of all for the future—long-range missiles.

The chairman of the Armed Services Committee says that in this category also everything possible is being done. Although I have great respect for my distinguished colleague from Massachusetts, I cannot agree, and I am certain that even a casual investigation would prove that we are not even close to an all-out effort on intercontinental missiles.

In view of the evidence that the Communists, with all their difficulties and deficiencies, and with all the defects of their system, are nevertheless at least even with us in the development of guided missiles, how can anyone say that we are doing everything possible?

To say that is, in effect, to admit defeat.

No, I cannot accept as accurate this recent estimate of American airpower.

That estimate would seem to find nothing but satisfaction in slowdowns, stretchouts, arbitrary manpower ceilings, and reductions and cancellations of contracts.

That estimate leaves out of account the steady growth of Russian airpower, against which, always, our own strength must be measured.

Anyone following current world events knows that we need adequate airpower today, and may need it even more tomorrow.

Mr. MORSE. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I shall be glad to yield to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I wish to say to the Senator from Missouri that as one citizen of the United States I am deeply grateful for the warning he has presented to the American people in his brief speech today. What he is saying to the American people is, "Do not be deluded by the wishful thinkers, and do not be deluded by false promises; do not be deluded by those who, just before an election, are trying to give you the impression that everything is going well."

The fact of the matter is—and I do not think there can be any successful disputing of it—that if we get into an air war with Russia tomorrow we can be badly hurt, for the reason that we are not in a strong defensive position. When we talk about the Strategic Air Command and the long-range bomber command we need also, it seems to me, to warn the American people that they are not secure unless we have a superiority by way of a defensive program as well as an offensive program.

I wish to congratulate the Senator from Missouri for warning the American people today that it is in our interest to spend what we need to spend in order to get ourselves into a striking position.

I have said during the past 3 years, or longer, that I am perfectly willing to waste—and I repeat it—to waste millions of dollars, if necessary, in building up an air power that may be obsolescent in 5 or 6 years or sooner. I am perfectly willing to waste it, because I think it is the kind of waste that can be justified, for the reason that if we should have another Pearl Harbor tomorrow we shall be mighty glad we were willing to engage in that kind of waste, because the question is, Do we have the planes now to answer the testimony given to us in regard to what would happen to us if Russian bombers came over, as we know they would come through, for the most part, and deliver their loads? That is why I have been proud of the record I have made as a member of the Armed Services Committee in calling for a faster buildup of our airpower than we had under the Truman administration. I do not think we have gone fast enough in building up the striking and defensive power of our American Air Force.

Mr. SYMINGTON. I thank the distinguished Senator from Oregon, who has always been, as the RECORD clearly shows, a true champion of air power for the United States and the free world.

I had not intended to give another address during this session regarding our airpower defense. I am sure the senior Senator from Massachusetts, did not intend to mislead the American people in his address last Saturday, but I felt that his talk might cause the American people to think we have a stronger Air Force today than we actually have.

The important question also is, When can we have an adequate Air Force? If we had it tomorrow, in my opinion, it would not be too soon.

Mr. President, those in authority have the duty to give the people all the facts about our relative military position as against that of the advancing Communists.

Mr. MONRONEY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to my distinguished colleague from Oklahoma, always a champion of adequate air power.

Mr. MONRONEY. I should like to thank the distinguished Senator from Missouri for calling the attention of the country to the dangers we face in failing to recognize the superiority of the buildup in Communist air strength. I should like to ask the Senator if it is not a fact that the much vaunted savings by the so-called great economizers in the Cabinet have come mainly out of our national security expenditures?

Mr. SYMINGTON. That is my belief.

I should like to add to my distinguished colleague that I would not have been interested in making this presentation today except for the fact that approximately 19 months after this administration took office, and approximately 17 months after the decisions were first made, some people are still attempting to justify the tragic cut in our air power around a year ago last March. In the words of the great bard, "Methinks they do protest too much."

Mr. MONRONEY. It is claimed that we have a great deal stronger Air Force having cut $5 billion out of it, which would tend to lead the people to believe we were wasting at least $5 billion scheduled for expenditure. That, of course, would not be justified in the light of the facts. We have that much less air power because of that precious 1 year which has been lost in the buildup of our air strength, and it will perhaps take us 1 or 2 or even 3 years to recover from the loss of this production, the loss of testing prototype aircraft, and, above all, the loss of personnel in the mechanical and flight fields of our air forces.

Mr. SYMINGTON. Above all, if I may add, in the development and operation of the Air Force which we all know and everyone agrees is necessary for the security of the United States—that Air Force has now been postponed for at least 2 years.

Mr. KENNEDY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield.

Mr. KENNEDY. As the Senator has just said, the fact is that by 1957 we shall

not have as good an Air Force as we would have had in 1955.

The only question, therefore, is whether in 1954, 1955, 1956, and 1957 world events will move in such a peaceful direction that we can afford to postpone a maximum buildup of our air strength. It seems to me, considering the events in Indochina and the increasing tempo of the Communist advance, that it would be to the vital interest of our national security to build up our maximum air strength as soon as possible. We have no real defense against an aggressor's air attack. The only defense is to build an air power second to none which will serve as a counter to any possible Communist attack.

Mr. SYMINGTON. The Senator is entirely correct. I note in this afternoon's newspaper a report that there are 100,000 Chinese Communists opposite Formosa. I do not know what the policy of this Government will be tomorrow if Formosa is attacked by the Chinese Communists. But I wish our Air Force could be built up by tomorrow, instead of by 1957, to that size Air Force the previous administration planned to have in 1955, and the present administration plans to have in 1957.

Mr. GOLDWATER. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. GOLDWATER. If the Senator has concluded his remarks, I wish to say that I was glad to hear the Senator from Massachusetts make the remark which I think the American people should realize, that there is no absolute defense against an air attack. We saw that in the battle of Britain. I think it is wrong to tell the American people that by building tens of thousands or hundreds of thousands of planes we can guarantee the American people against attack by Russian planes. The emphasis has been shifting from tactical airpower to strategic airpower. I do not think the Senator can deny that the strength of the Strategic Air Command today is superior in its carrying capacity and striking power to what was planned for 1954, under the plans we had in 1950 or 1951.

Mr. SYMINGTON. I agree with the Senator, but I point out that of the 6 groups cut out when this administration went from 143 to 137 wings, some offensive groups were cut out in order to provide additional defensive groups. The figure cannot be disclosed because of security, but there were groups taken out of the Strategic Air Force.

I completely agree with the Senator that this reduction in that category was a mistake.

Mr. GOLDWATER. The Strategic Air Command is our common defense in terms of the offensive type of warfare today. In the case of airpower, just as it was in the old days of the cavalry, the best defense is the strongest offense; the one "who gets there fustest with the mostest" in the way of bombs and fast-bombing equipment will win the next war.

Mr. SYMINGTON. I know the Senator from Arizona has given a great deal of thought to this problem, and I should like to discuss it with him at some future time—because we are both intensely interested in the subject.

However, I have a problem, in that I am only speaking now, prior to the speech of the distinguished Senator from Illinois [Mr. DIRKSEN], because of his typical gracious courtesy in stating I could talk at this time. Inasmuch as there has been considerable participation in this discussion, which I did not know would be the case, I have taken a great deal more time than the Senator from Illinois was kind enough to allow me.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. SYMINGTON. I only hope there will come a time when the Senator from Illinois will have an engagement he must meet, and I shall be in a position to allow him to precede me. It will be done with great pleasure.

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. SYMINGTON. I will yield to the Senator from Oregon for one more question and to the Senator from Montana for one more question. Then, because of the time already taken I should like to yield the floor to my distinguished colleague from Illinois [Mr. DIRKSEN].

Mr. MORSE. Does the Senator from Missouri agree with me that although to a degree we cannot prevent enemy planes from attacking, nevertheless when it is still reported that a minimum of 60 percent of such planes would come through in case of an air Pearl Harbor tomorrow, we can develop a better defense than we now have, so as to reduce that number? Every plane we stop means the saving of American lives; is that not true?

Mr. SYMINGTON. There is no question about that.

Mr. MANSFIELD. Mr. President, since the Senator has kindly yielded to me, I just wish to compliment the Senator from Missouri upon his giving us the benefit of his well-thought-out observations on the present air situation and air strategy as it affects our country and the free world. I believe we in the Senate are extremely fortunate to have in the junior Senator from Missouri a man who has served as Secretary of the Air Force, a man who knows what he is talking about. I think the Senate and the country as a whole have been well benefited by his remarks made here this afternoon, and I wish to express my personal thanks to the junior Senator from Missouri.

Mr. SYMINGTON. I thank the Senator from Montana for his typical courtesy. There is no one more concerned about our airpower.

Mr. President, inasmuch as I have discussed the talk of my friend, the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], I present to my colleagues the fact the Senator from Massachusetts this morning knew I planned to discuss his address of last Saturday this afternoon. I only regret that because of the Senator's other heavy duties in the closing days, as chairman of our committee, and a member of the Appropriations Committee, he was not able to be here for all my presentation.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I should be very glad to yield.

Mr. SALTONSTALL. The Senator from Missouri did call me this morning and I did get a copy of the speech, which I read. I had to attend the meeting of the policy committee, and therefore I could not listen to the entire speech.

I am glad to have the thoughts of the Senator from Missouri, even though some of the comments may have been just a little bit cynical regarding some of the things I said.

Mr. SYMINGTON. I appreciate the typical graciousness with which the Senator from Massachusetts presents his criticism.

Mr. McCARRAN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield for a question.

Mr. McCARRAN. Does the Senator in charge of the bill desire to take up an amendment on page 5, line 16?

Mr. DIRKSEN. Mr. President, I would rather not yield until a later time for that, because I thought it might be rather novel to have a few observations on the bill which is before the Senate. I wished to talk to the Senate about that.

Mr. McCARRAN. I thought the chairman made all the novel observations that were to be made.

Mr. DIRKSEN. Mr. President, since this is the vesper hour, and since it is Saturday afternoon and the spirit is willing but the flesh is a little weak, I shall try not to detain the Senate too long. However, I wish to allude to the fact that this foreign-aid program, which began in 1948 with the address of Secretary Marshall at Harvard, was intended, of course, as a 4-year program, and early emphasis was upon economic aid and economic relief. I believe the RECORD will show that in 1948 the amount of economic relief which was provided under the so-called foreign aid bill was $4.4 billion.

In the instant bill, Mr. President, there is only $184.5 million for economic relief. Therefore, calculationwise, really only 4 percent of the amount we made available for economic aid in 1948 is carried in this bill for fiscal year 1955.

There is a reason for that very sharp drop in amount, and it is because production in the European countries and elsewhere, according to the figures which have been submitted to the committee, is about 1½ times prewar production. So in consequence there has been new vitality and new production in the countries which we esteem as a part of the orbit of the free world and in our corner in respect of this whole pattern of security.

This program began as a military program and as an economic program. Subsequently, the so-called technical assistance program was added.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield for a question.

Mr. MAYBANK. The Senator from Illinois has participated in all of the hearings, and has done an excellent job. I desired to ask the Senator if, when he finished his remarks, it would be agreeable to the other side of the aisle for me to call up my amendment.

Mr. DIRKSEN. I am afraid the Senator from Illinois has no control over that matter. The Senator from Nevada [Mr. McCARRAN] a moment ago, when he desired to offer his amendment, yielded until at least some general observations on the bill could be made.

Mr. MAYBANK. Of course I would wait until my distinguished friend from Nevada [Mr. McCARRAN] had finished.

Mr. DIRKSEN. Yes.

Mr. MAYBANK. Since I am a member of the committee, and there are a number of amendments to be offered, and, since some other Members have asked me if I intended to offer them, I wonder whether I could be recognized.

Mr. DIRKSEN. I may say that at the end of my remarks I had intended to offer four amendments, which were clarifying or administrative in character, and to which I am sure there is no objection.

Mr. MAYBANK. Of course, I should certainly be in favor of the amendments offered by the Senator from Illinois, as a member of the committee. I wondered if there were other amendments to be offered.

Mr. DIRKSEN. Beyond that, may I say to my very distinguished and cultured friend from South Carolina that the Senator from Nevada [Mr. McCARRAN] is also a member of the committee.

Mr. MAYBANK. He certainly is.

Mr. DIRKSEN. The Senator from South Carolina is also a member of the committee. The Senator from Nevada also desires to offer an amendment. That is a matter to be decided by the very distinguished Presiding Officer, I may say.

Mr. MAYBANK. I thank the Senator from Illinois. I have talked to my good friend, the distinguished member of the committee from Nevada, and I am certain it will not take him very long. I hope it will not.

Mr. McCARRAN. So do I.

Mr. DIRKSEN. So, Mr. President, this program began as an economic program and as a military program. To it was subsequently added the so-called technical-assistance program, which is designed to teach people in other countries of the world something about our advances in the fields of agriculture, health and sanitation, mining and industry, and other fields, so that other peoples of the world will have a full-functioning economy of their own.

As this program was launched, obviously as hope springs eternal in the human breast, there was a hope that at long last aggression might cease; that those whose sinister shadow falls upon the world today might become more amicable in their relations with other countries. But that hope seems to have gone by the by, since hostilities ended 9 years ago this month. So we find now that it becomes necessary to put the emphasis on the military aspects of what is known as the foreign-aid program, so I wish to suggest, Mr. President, that the right term for this program is the mutual-security program.

Like other Members of the Senate, I receive a good many letters decrying the fact that this is a giveaway; that we do not want to make sacrifices on the part of our own people for the benefit of people abroad. I am inclined to the conviction that many people are forgetting that the whole emphasis in this program today is virtually on its military aspect.

This is the 7th year of this program. We can follow 1 of 2 courses. We can either build up entirely at home and build a wall around our own country, or we can follow the theory that perhaps we can keep other countries integrated in a military pattern which has an approximate and direct effect upon the security of the United States of America.

While I know that there is a good deal of hostility to this program in some quarters, I view it sheerly from the so-called security pinnacle. For that reason, after hearing all the testimony—Mr. President, I do not believe I missed a word of testimony, on or off the record, in connection with this bill—I certainly am in full accord with the bill which has been reported to the Senate for final approval.

Now, I think I ought to point out what the estimates first fashioned were in comparison with other years.

In 1953 the estimates were at $6,012,000,000.

In 1954, they dropped to $4,337,000,000.

In 1955, the estimates for new funds were $3,438,000,000.

In the bill itself, after the committee got through, we finally recommended new funds aggregating a little less than $3 billion.

So it can be said that we have reduced the amount from the 1953 estimate by roughly 49 percent. That is not only a very substantial reduction, but I think it gives some hint to the country and to the Congress itself that no pains are being spared, and every effort is being made, insofar as it can be done consonant with the military security of the United States, to diminish gradually what is known as the foreign-aid program.

In respect to the estimates that came, which were submitted, I believe it should not be forgotten that the man in the White House is a very distinguished soldier. He was the commander in chief of our forces in Africa long ago. He was the commander of the invasion forces in 1944. He was the Chief of Staff for General MacArthur in the Philippines many, many years ago. He is the Commander in Chief, under the Constitution, of the Armed Forces of the United States. The Constitution places in his hands the sword, while it places in the hands of the Congress the purse of the Nation. So it is fair to assume that a very distinguished soldier, who has had such a storied military record, would go to the military intelligence agencies, to the Joint Chiefs of Staff, and to every competent and authoritative agency in Government, for the purpose of getting the best information he could obtain on which to predicate estimates that deal with a program like this, in the interest of our national security.

His attitude and his viewpoint have been implemented pretty well by a galaxy of witnesses who appeared before the committee, and who, beyond all doubt, can testify with authority. First came the Secretary of State, who is charged with the direction of the foreign policy of this country. Then came Admiral Radford, a very distinguished military man, who presently serves as Chairman of the Joint Chiefs of Staff. I was insistent that General Van Fleet, who has spent several weeks in the Pacific, Korea, the Philippines, Okinawa, Formosa, Japan, and elsewhere, should come, and, if it conduced to his equanimity and piece of mind, to testify entirely off the record.

There was something very persuasive and convincing about the testimony of the man who was the commander of the Eighth Army in Korea, to whom credit must be given for having whipped into shape the Army of the Republic of Korea, and to whom great testimony was paid by the President of the Republic of Korea when he addressed a joint session of the Congress not so long ago.

What we bring before the Senate today are the estimates of responsible agencies of Government, and those which were testified to by witnesses who are competent to speak in this field.

I may point out, for the purposes of the RECORD, that when the conference committee on the authorization bill completed its labors, it set a ceiling of roughly $3¼ billion on the items for foreign aid. When the Senate Appropriations Committee had finished its labors, the amount was cut to $2,990,824,816. That is a little less than $3 billion. The House provided an amount of $2,895,944,000. So the bill as reported to the Senate is only $95 million in excess of the amount contained in the House bill.

That is quite a difference from the action taken by the respective Appropriations Committees of the House and Senate last year, when there was a disparity of $1,015,000,000 when the bill went to conference.

I may say that the amount contained in the Senate version of the Senate bill is $448 million below the estimates, and $1,541,000,000 below the amount provided in the bill for 1954.

This job would not be complete unless at least we spell out some of the items in the bill. When this measure was in the markup stage in the committee, I started at the bottom and proceeded to the top. I did that for a reason. First, action on the conference report on the authorization bill had not been completed. Secondly, I find it is always easier if first we clear away what might be called the undergrowth, so that one can get his teeth into the larger military items in the bill. The undergrowth, if it can be called that, although that is not too happy and felicitous a term, would start with chapter 4, the first item of which deals with money for the migrant and refugee problem in Europe.

In 1954 the so-called Intergovernmental Committee for European Migra-

tion handled about 118,000 migrants. In 1955 the program calls for handling 155,000 migrants, who will be taken from a number of countries in Europe, and then, under this program, funneled out to other countries, some of which are in the Western Hemisphere.

I thought the amount we allowed for that purpose, on the basis of the testimony, was adequate, and at the same time not too much in order to take on this additional workload and get the job done.

There is one item of $500,000 in the bill for what is known as emergency migration problems or refugee problems, which are handled by the United Nations. While the amount is modest, it deals with 37,000 destitute cases. I suppose they have surveyed the field and found that number of cases of families in utter destitution. It would not be seemly for the charitable and throbbing heart of America to look unkindly upon a modest request if it is going to bring relief to people who are in very abject circumstances.

Then there is an item under the miscellaneous heading which has always had great appeal to me. It is one that deals with child welfare. We would contribute roughly 68 percent of the amount of that item, which is a United Nations undertaking. Thus far some seventy-odd countries have had the benefit of that program. What they are doing mainly, of course, is setting up certain centers that purvey medical care for children who suffer from malnutrition. The program is now reaching approximately 60 million children. It is the kind of thing that regenerates hope about the future.

I was happy to read the other day that former President Hoover stated that the thing that kept him young was his interest in children.

When I was in Germany some years ago I saw evidences of the esteem in which the school children there hold former President Hoover. They called the program Hooverspeisung. That is a good mouth-filling word, I know. I noticed pictures the children drew and verses they wrote in eloquent tribute and testimony to a former great President of the United States, who observed his 80th birthday at West Branch, Iowa, this week, and who became an honorary citizen of the Commonwealth of Iowa by action of the Iowa Legislature. What a marvelous thing. Certainly his interest in the program of child welfare everywhere in the world should not be displaced.

After he came back from a tour of the world, I went to dinner with him. I found that this hearing had become bad in one ear. I said, "Chief, you have been flying too much at high altitude," and he had. He had gone abroad in connection with the program at a time when the weather was so severe—there was no fuel—that he had to wrap himself in blankets so he could go about the business of looking after the children's program in Europe in the darkest days of the winter. So that great citizen carried on.

What we shall do will be in a way testimony to a great throbbing and charitable heart who laid the foundation for that child-welfare program. As I said, the program will reach about 60 million children. While the centers which have been set up—there are some 53 of them—by our standards certainly would not be very much, in certain countries there are no health centers at all, and those established under this program come as a great boon and blessing to humble people.

One item in this bill deals with those who are referred to as Palestine refugees. It is a bit of a misnomer because in the main these refugees are Arab refugees. It is estimated there are approximately 850,000 of them—475,000 in the little country of Transjordan alone—a much impoverished country which, obviously, could not carry the entire impact without some aid from the outside. The testimony showed that approximately 200,000 of these refugees are in Egypt, and approximately 100,000 in the little country of Lebanon, on the Mediterranean, and approximately 80,000 in Syria. God willing, the Jordan River development will be underway within the next few years because water is like life to the land in the Jordan Valley; and for miles and miles, not only in Palestine but also in Transjordan and elsewhere, there will be, as a result of the Jordan River development, a place where these people can subsist because the land is fruitful, indeed, if water can be brought to it.

So this provision of the bill is really in relation to Arab refugees who today are dispersed in that section of the world.

One item is for $3,169,000 for the North Atlantic Treaty Organization. That includes roughly one-half of their expenditures, and the other half is our contribution to a new NATO headquarters building in Paris. It appears that the headquarters there are occupying temporary quarters, and that under the Paris building code the buildings must be razed some day soon. But they have been there quite a while, and perhaps they can languish there a little longer. So, in the interest of economy—slight though it may be—the committee finally decided to delete the $2 million for the new NATO building in Paris, which is our contribution out of a total of $5 million.

There is $4,400,000 for ocean freight. That is not for governmental shipments particularly. It is, rather, for shipments by either voluntary groups or by groups under Government supervision, who send packages both at Christmas time and at other times in the year, so as to renew the faith of people in all parts of the world, and to let them know there is really a Christmas spirit all the year around, rather than just in connection with a "binge" at certain times of the year. This money is also to be used in connection with packages sent by such groups as Hadassah and other groups which send relief to the Middle East and other areas.

Mr. President, at this time I must refer to one matter which seems to have elicited considerable criticism. Four typical American couples were sent abroad, to see how this package shipment program was working out. Administrator Stassen was roundly criticized for it. The fact is that those persons were not remunerated; they received only a per diem allowance and their traveling expenses.

But when I considered the desirability of surveillance of the results of this program, I could not think of a better way to proceed than to have some typical American families, from good, solid homes in America, make a factual survey, on the basis of being told, "Go there, take a good look, and come back and report to your neighbors." That was done and the expenditure involved is set forth.

As a result, we have obtained firsthand information regarding the program for which we hope to receive credit in the form of good will on the part of the peoples of those countries. Under that program, parcels are sent to those lands in colored bags bearing the inscription of the Foreign Operations Administration. I think that program causes people everywhere in the world to testify to the fact that America is indeed a country with a great, charitable heart, that does not look with a steely eye upon the needs of peoples elsewhere.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. THYE. The Senator from Illinois has touched on the question of certain citizens of the United States who went abroad to check on the Christmas-package program, and to investigate the distribution of the packages, and to acquaint the public in foreign lands with what the American Government was endeavoring to do for the destitute and the underprivileged and the needy children of the world.

Last December, when I was returning from Korea and Indochina, I passed through the city of Rome, Italy. Because of the tight schedule I had, it was necessary for me to have breakfast before 7 o'clock, one morning; and, by chance, at that time I met some of the Americans who were making the check-up to which the Senator from Illinois has just referred. I did not know they were to be there. But in the course of conversation with them, they gave me a report of what they were doing and what they had learned and what they had found to be the attitude and reaction of the families, including the children, both in Rome and in other parts of Italy, to the Christmas packages the United States Government had made available to the destitute, the underpriviliged, and the needy children of that country.

I wish to commend the Senator from Illinois for his able explanation, not only of this phase of the program, but of the entire program.

Of course, this is Saturday afternoon, at the end of a full week. However, it is most worth while for us to devote time this afternoon, even though it be late in the week, to receive the report the able and distinguished Senator from Illinois is giving us.

Mr. DIRKSEN. I am deeply grateful to the distinguished Senator from Minnesota, Mr. President, for his generous observations.

Mr. WILEY. Mr. President, will the Senator from Illinois yield to me, to permit me to make an observation?

Mr. DIRKSEN. I yield for an observation, if it is in the nature of a question.

Mr. WILEY. I wish to say that I, too, have been very much uplifted by the remarks of the distinguished Senator from Illinois. I am happy to know that the presentation he is making, with his wonderful ability at description, of the mutual security bill, will be available to all who read the CONGRESSIONAL RECORD. Certainly it will be a complete antidote to the "rathole" philosophy to which reference has been made.

He and I know that $1 billion spent in Turkey for military defense will provide 20 times what it will provide in the United States. We also know that the package shipments to which the Senator from Illinois has referred are begetting appreciation, understanding, and a feeling of warmth toward America—an attitude which, in itself, is mutual security.

So I wish to thank the Senator from Illinois for the splendid presentation he is making; and if copies of his speech are printed and are made available for distribution, I should like to purchase about 10,000 of them, to send to certain parts of my own State, where the people have been told that this is a "rat-hole" operation.

Mr. DIRKSEN. I thank the distinguished Senator from Wisconsin. Perhaps the best justification for thus trespassing on the grace of the Senate on a Saturday afternoon is that I, too, have encountered some criticisms of the program. So I thought the true story should be told.

Mr. President, the bill also carries funds for the administrative expenses of the Foreign Operations Administrations. I wish to state briefly the situation regarding the present personnel. When Governor Stassen took over, I think the personnel were in the neighborhood of 11,000 or 12,000. According to the latest report, United States funds are now being used for 3,109 administrative personnel and for 3,282 other personnel, whose principal function is in connection with technical assistance, and also in connection with the administration of what is known as Battle Act aid—in other words, aid in connection with the control of shipments of critical and strategic materials to certain friendly nations. So the total personnel paid out of United States funds are 6,391. That number is made up of 4,212 United States nationals and 2,179 nationals of other countries. In addition, 2,372 are carried on the rolls in connection with the funds obtained from foreign countries, the so-called counterpart funds; and their services are necessary in connection with the administration of so far-flung a program as this one.

Mr. President, that, in the main, covers the items in title IV of the bill.

Now moving from the bottom to the top, we come to title III, which deals with technical assistance. The official title is "Technical Cooperation Administration." The bill carries an item of $110 million for this purpose, of which $28,500,000 for Latin America. I may say that today we have sent abroad just a few less than 3,000 technicians, who are carrying on the business of teaching other people the know-how, so that their own economies and their own cultures can function better.

It should be pointed out, Mr. President, that these are participating programs. We do not initiate them. Foreign countries must initiate them, and then they participate, and we participate with money, supplies, and technicians. They cover, for instance, agricultural projects, health and sanitation, education, transportation, industry, mining, public administration, and in some cases, community development.

The largest amount of this $110 million fund made available to any country is the $19½ million which goes to India. That country, with about 370 million people, is carrying on a program of community development. Having coursed and toured through India a good many years ago, I know how necessary that kind of program is, if the living standards and the health standards of that country are ever to be improved, and an amicable and sweet relationship developed between India and our own country.

The smallest country in this category which receives technical cooperation assistance is Guatemala, which receives only $190,000.

So between $19,500,000 at the top, and $190,000 at the bottom, there are approximately 40 nations which share in this program. Since it is mutual, since they participate along with us, I think I can see already from the testimony that a great deal of benefit and good have resulted. This is one of the programs which is on rather substantial grounds.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Minnesota.

Mr. THYE. It was my good fortune to visit India last fall. I went to India primarily in order to acquaint myself with this technical assistance program in the field. I visited several outlying areas of India, flying into the area in order to save time. I found American county agents—men from Iowa, Minnesota, and other States of the Union—who had brought the youth, the young men, into central educational centers, some erected in the countryside and others in connection with some of the educational institutions of India. They were teaching the youth to become leaders, to go forth into the communities of India and bring about an improvement in health measures, sanitation in the villages, water sanitation, and also to develop some of the American know-how in the field of agriculture and livestock husbandry.

I left that country with the positive feeling that we were doing much to secure for our country the good will of India, developing good relationships and understanding, aiding India to develop its food production, and to develop sanitation to guard its children and its population in general against the many diseases that ravage the country.

Mr. President, if ever I had the satisfaction of feeling that we were actually accomplishing something by the dollars spent, I felt it then. I felt we were doing it in India, as well as in Pakistan and the other countries.

The Senator from Illinois is ably presenting here this afternoon what we have accomplished with the dollars appropriated for the technical-assistance program, and I am, indeed, very pleased and happy that he is devoting the time to make this known to us, as well as to make it known to the citizens of the United States, who are taxed in order that funds may be made available for the technical-assistance program.

We are making progress, and we are doing good. I believe we are achieving far more than we could possibly achieve by putting the same amount of money into our national defense in the form of weapons of destruction.

Mr. DIRKSEN. Mr. President, I can testify to the devotion and application of the distinguished Senator from Minnesota, who is a member of the Appropriations Committee, and who has always taken an interest in this matter, and given it very sustained attention.

Under title III, there are 2 other items. One is a modest item. For the organization of American States the bill carries $1½ million to do an equivalent kind of work.

The other item requires some amplification, I think, because Members of the Senate have been pretty well belabored with letters and telegrams in connection with the so-called multilateral technical cooperation which is carried on by the United Nations. There was a request for seventeen-million-and-some - thousand dollars to carry that on. That request represented the pledge of this country to the United Nations for this work in 1954, and an equal amount to carry on their program in 1955.

The committee wrote in amendatory language, and allowed actually only half of the amount, on the theory that we were willing to pay the pledge for the curernt calendar year, but would require that they come back to the committee with some data with respect to their program for the next calendar year. Early in January, when the new Congress convenes, I am confident their program will receive careful attention.

Mr. President, the difficulty arises from the fact that the United Nations is on a calendar-year basis, and we are on a fiscal-year basis. When their budget committee meets, we have present a representative who, at least in theory, commits this country. Then the following January or February or March representatives appear before the Appropriations Committee, and we are confronted with a commitment.

Over and over I have declaimed the fact that this procedure amounts, in effect, to a surrender by the Congress of the power of the purse, and I will not recognize it as a legal, legislative, or moral commitment. I think the committee has now made that abundantly clear.

So under this program we will pay the pledge for 1954, and tell them to come back for the funds which they may re-

quire after they have done their planning for calendar year 1955.

One question has been raised because of the fact that this might be duplication of our own program, which is bilateral in nature, between 2 countries, instead of multilateral with the United Nations in the picture. I believe there is one reason which can be assigned why perhaps this ought to continue, namely, that there are, after all, countries which, in the feverish world of today, are a little timid, a little fearful about accepting gratuities or help from this country, on the theory that ultimately it might involve them in difficulties. I can understand that.

The distinguished Senator from Minnesota [Mr. THYE] was in Burma a year or more ago. Burma was one of the countries that did not want to accept this aid. The people there are living in a very fluid orbit, and I think one can understand the timidity that springs from the dangers which beset a small and somewhat defenseless country. They can accept it from the United Nations, whereas accepting it from this country might cause them some embarrassment. So I am quite content to go along with this program, and I think we have dealt realistically with it and have done our full duty thereby.

Mr. President, I wish to emphasize the next item, because it bears the rather euphonious title of "Development Assistance." That is a good, mouth-filling term, and it might fool people.

I reminds me of the story, Mr. President, about a young man who made an application for an insurance policy. In the application was a question which asked, "Hold old was your father when he died, and of what did he die?" Unfortunately, his father had been convicted of a heinous offense and he was hanged. The young man did not want to say that in the application for the policy, so after puzzling over it he finally wrote, "My father died at age 65. He came to his end while participating in a public function, when the platform gave way."

So we call this development assistance. This is the part which is so commonly referred to, Mr. President, as economic aid. This is the handout part of the program, if anybody wants to call it that.

In 1948 this item was $4,000,000,000. Anyone who examines the bill will discover that we have reduced the amount to $184,500,000. That is 4 percent of what the economic aid, or handout, was only a few years ago. Of what does it consist? There is $9 million for Bolivia. We do not find much testimony in the record, because so much of it was off the record. But the fact is that when tin prices fell so sharply one of our sister republics of South America was feeling the strivings and heavings of economic instability, and conditions looked very dangerous—and sometimes even that kind of fever in our own hemisphere can give us trouble—that there was included, in the bill $9 billion for development assistance to Bolivia.

In addition, there is included for Iran and Egypt and Israel and the Arab States, under Near East and Africa, $115 million. I point out to Members of the Senate that nearly one-half of it will be liquidated in the form of surplus agricultural commodities. In that way we kill 2 birds with 1 stone. We make provision for people who have the need, and at the same time we relieve the pressure that we have been encountering as a result of the towering stockpile of farm surpluses which only within the last few days has challenged and taxed the mental agility of the Senate in its efforts to deal with it.

Finally, in this item there is economic or development assistance for South Asia. That includes only one country, and that is India, for which the bill carries $60,500,000. We should remember that India is a country of about 370 million people. We have provided her with no military assistance. Of the $60½ million, roughly $40 million will be in the form of agricultural surpluses.

My understanding is that with her own resources India is at the present time undertaking a 5-year program that aggregates roughly $4¾ billion. I earnestly hope it will be consummated, because, as one looks on the Ganges River and the Indus River, or any other river, one realizes that, if the power of those rivers can be harnessed for the production of electrical energy, or impounded into reservoirs and fed to the soil, that great resource can bring beneficence to an ancient country such as she has never experienced before.

This is a mere modicum of help.

Of course, I am not insensible to the fact that the Indian delegate to the United Nations has on a number of occasions registered a vote that I did not like and which was not particularly to the liking of the United States of America. However, here is a huge country in the Orient, rather mystic in a way and rather esoteric in its approaches, and there is some necessity for patience in dealing with her, because she can be a great power for good in the days that lie ahead, especially so when the horizons of Asia are already fitful with threats and warnings as to exactly what may happen.

That disposes of Title IV—Miscellaneous Provisions; Title III—The Technical Cooperation Program; and Title II—The Development Assistance Program. That brings us to title I. I suppose I ought to start at the bottom if I am to remain in character, and instead of starting with chapter 1, I shall take up chapter 3 of title I, because that deals with defense support

The definitions in connection with this bill were always rather nebulous in my mind, and throughout the hearings I stressed to the witnesses the necessity of giving us a better definition of what the terms "direct force support" and "defense support" mean.

Defense support refers to common use items which feed into the general economy of the country and do some general good, and are necessary to the support of troops but not directly so. They shore up the economy of a country, and in so doing give vitality to its military effort.

There is involved $45 million for Europe, of which $30 million is for Spain, some of it for Yugoslavia, and a certain amount for the joint control area of Berlin.

The Senator from Nevada [Mr. MCCARRAN], I believe, has offered his amendment with respect to this particular item, which I believe would increase the amount for Spain. That is quite agreeable to the committee.

Under the same item of defense support for the Near East, there is a total of $73 million. That includes nearly all the supplies and agricultural products—meat, wheat, sugar, and so forth—for Greece and Turkey and Pakistan.

I merely wish to say one thing about Turkey. She is integrated into the NATO program with Greece and Yugoslavia. Only recently a mutual defense pact has been developed among those three countries. It is much to our advantage that Turkey is at the end of the long, looping arc that starts at the northern end of Norway and goes all the way through Europe and down around the Golden Horn to the tip of Turkey and up to the Black Sea. That constitutes the NATO defense perimeter in Europe. Turkey, of course, will be important in the scheme of things.

She gave a splendid account of herself, as did her troops in Korea. I believe we are fortunate that there has been such robustness and vitality in the thinking and in the faith of Turkey that she has stood up so sturdily, although she is in a very delicate area, which involves the Dardanelles and the access from the Black Sea to the Mediterranean.

Some money is carried for the Far East, which includes Formosa, the Philippines, and Indochina.

The other item under this broad heading of chapter 3, title I, deals with the Korean program. The authorization which was completed this week when the conference report was approved, places a ceiling of $205 million on this program. The budget estimate was for $230 million. The committee allowed the entire amount authorized, namely, $205 million.

This then is the United States effort in the field of reconstruction and rehabilitation in Korea, as distinguished from UNCURK, which is the United Nations effort. I was in Korea only a little while ago, and I say this is the least that we can do for some 22 million people who live in the concentrated area in the southern part of the country.

I have seen the slums of Pusan and the hundreds of thousands of children. I know those children will have a chance in the world only with the constructive hand of a great and wealthy country like the United States. Otherwise, I would despair of the future of Korea.

What we propose to do with this money is to divide it almost evently between capital expenditures and expenditures for food and supplies. In the field of capital expenditures there will be irrigation equipment and fishing boats. If that seems strange to anyone, I can only repeat my statement to Syngman Rhee on the portico of his summer home at Seoul last year, when I said, "You have got to get to the salt water for the protein to give your people energy. To go to

the salt water means that you must have fishing vessels in order to supplement your protein diet."

Likewise, Mr. President, they need generating equipment to catch the waters which come down from the high crevasses to produce electric power.

Then, of course, they need fertilizer so they cannot only improve but augment their rice and barley crops, upon which they must subsist, and possibly become an exporting nation in the future.

Of course, something must be done for housing.

Let me add one other thing, Mr. President. There is tungsten in Korea, and a fine deposit of anthracite which can be sold to other countries of the Orient for steelmaking purposes.

The United Nations Reconstruction Administration has a participating function, to which we contribute 65 percent of the total amount. They have asked for only a small amount of new money and for a reappropriation of the unobligated balance, amounting to $18½ million.

So we are participating in the reconstruction of Korea, first, by a bilateral program in which we can take pride because it is under good leadership and in sound hands.

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CHAVEZ. I arrived in the Senate when the Senator was discussing the Latin American item in the bill, and I heard him talk about $9 million for Bolivia. As I recall, there is an amendment sponsored by the Senator from Florida [Mr. SMATHERS]. Can the Senator tell us what happened to that?

Mr. DIRKSEN. It is a rather painful story. The Senate had approved the inclusion of $10 million for Latin America. The Senate responds to our sister Republics to the south. But when the conferees took the authorization bill and, for reasons unknown to the humble Senator from Illinois, suddenly set a ceiling of $5 million in the authorization, that is as far as the committee could go, and that $5 million is included in the instant bill.

Mr. CHAVEZ. If the Senator will indulge me briefly, let me say that I do not believe the national administration as a whole understands the situation. I believe that the Congress of the United States does understand the situation of Latin America in the present emergency. I hope that the standing committees will in the future, outside of giving a little lip service to our so-called good will and our so-called friendship for Latin America, realize that our future is based on our standing in the development of Latin America. There is no particular reason why we should provide $20 million for Egypt in order to build public works in the way of irrigation systems, and at the same time not help to the extent we should to develop the countries to the south of us, which, if they could ever get dollars, would spend them in the United States.

Mr. DIRKSEN. I did not mean to leave the impression that there is only $5 million for Latin America, because the whole amount is $28.5 million. I had particular reference to the action of the conferees with respect to the authorization of the amount which was contemplated by the very distinguished Senator from Florida [Mr. SMATHERS].

Mr. President, I now go to chapter II, and pretty soon I shall get to the top of the page, and so we shall end this lesson.

Chapter II of title I deals with southeast Asia. There was an authorization of $700 million, and an appropriation of $700 million in new funds in the fiscal year 1954. There is $745 million carried in the bill, and it is estimated at $800 million for fiscal 1955. So we carry $100 million below the estimate. I think our total aid to Indochina in 1955, of which this appropriation, of course, is a part, is estimated at $1,133,000,000.

We now come to something which somehow intrigues Members of the Senate, and I can understand how easy it is to get into the frame of mind that here is a good place to cut, that here is a good place to sink the economic ax deeply. I would warn my brethren in the Senate about this, because I speak from the testimony of Admiral Radford, who knows the situation thoroughly, the testimony of General Van Fleet, the testimony of the Secretary of State, the testimony of General Stuart and others, and also, Mr. President, on the basis of my own observations in the Orient, ranging all the way from Korea into China, and farther, a little over a year ago.

The truce has been signed. The terms are rather vague and nebulous. There is a mystic line marking the limits. We have military stores and equipment in warehouses and depots. With hostilities at an end, no planes in the air, no howitzers and 75-millimeter guns belching death, how easy it is to say, "Let us pull out a few hundred million dollars."

My distinguished friend from South Carolina, I understand, proposes to offer an amendment to that end. I trust the Senate will resist it, for the very good reason that this money, under the flexible provisions of the authorization act, is available for all the purposes of the Pacific and southeast Asia. One need only to scan the front pages this noon to learn that 100,000 troops are alleged to be on the other side of the Formosa Straits, and they are allegedly equipped with jet planes. War has been going on there, Mr. President. It is not something that is going to linger and simmer for a while and then suddenly come upon the world, engendering apprehensions and fears on our part.

When I was there, the nearest island to the Chinese mainland had been shelled at a range of 2,500 meters. There are six divisions of hardened Chinese troops there. They are hardened, and they are fine soldiers. They are eking out an existence and getting along with rare fortitude, under the command of a general with a long, lean jaw, who said to me, "You should have been here yesterday." I arrived on Sunday. I said, "What happened?" He said, "We were shelled with 155-millimeter howitzers."

That is an explosive situation in the Pacific, Mr. President. Troops are all up and down the Chinese coast. We do not see it on the front pages of the newspapers, but it is an explosive situation, and it is very easy, in the tranquillity of this Chamber, suddenly to give vent to a certain spirit and say, "This is a good time to save $200 million."

Let us not do that. We have a great American leader in the White House. We have a great leader in General Van Fleet. I am not at liberty to disclose for the RECORD the testimony, but I know what I have seen with my own eyes and have heard with my own ears. I know from my conversation with our leaders in the Orient; I know from the testimony which is very fresh and new, indeed, that this is dangerous situation, and that pressure points can develop, not only in Vietnam, the southern part of Indochina, but in Laos, Cambodia, Burma, Thailand, Indochina, Formosa, and Japan.

So there must be latitude, and there must be funds for the purpose; because, who knows what the morrow will bring, when the sun comes up in the east?

I have made the point over and over again that, first, we must give our leaders flexibility. I have insisted on that. Secondly, we must provide them with adequate funds with which to do the job. I cannot imagine that men who with honor have worn the uniform of their country are simply throwing money to the birds; that they are spending it, as the proverbial expression goes, like so many sailors on a lark. Certainly not. But they must have adequate funds with which to deal with what is at this time, perhaps, a most volatile situation all over the world.

I ask Senators to look at the map which has been placed at the desk. They will get a pretty good idea of what I am talking about. There is shown a line which somehow divides the non-Communist world from the Communist world.

First, let us look at the population total for males between the ages of 15 and 49. In the non-Communist part of the Pacific area, in the age group from 15 to 49, there is a population of 298,392,000, of whom 75,200,000 are males in the age bracket from 15 to 49. Of that number, how many are physically fit? Forty-five million two hundred and thirty thousand.

Next, look at the red figure, including China and her associated countries. What do we see? A Communist population of 530,260,000. The total number of males between the ages of 15 to 49 is 140 million. The number who are physically fit in that area is 74 million.

In the free world there are 45 million who are physically fit. In the Red world, the number of physically fit males available for military service is 74 million. The difference is 30 million.

There is a population deficiency with which the free world is confronted today. I could think of no more persuasive answer than to show that map to some who are beset with doubts, as Thomas was generations ago.

So how shall we fill the gap? The people of the Orient have obtained their know-how and techniques from us. They are just as adept in an airplane or sitting on the seat of an antiaircraft gun, probably, as anyone we could provide. I never in my life saw more skillful pilots

than the pilots who were trained in the good old days of Chiang Kai-shek in Formosa. I will ride with them any time. They were the backbone of Chennault's air force. They are the boys who ran the air transport from Taiwan to Hong Kong to the Haiphong Delta, in Indochina.

I had one of them bring me through the tail end of a typhoon when I was saying my prayers and thinking, "This is the end of the junior Senator from Illinois. Never will his feeble voice again be lifted in the Senate of the United States." I frankly did not expect to come back. But there sat a skilled Chinese major. As I saw him maneuver that airplane through the tail end of a typhoon, I saluted him; and when he brought us safely to land, I said, "My friend, you can serve in my air force any old day."

So they have the know-how in the Orient.

There, I say to the Senate, is the picture of the population difference. I will not restrict or tie the hands of our leaders and the very distinguished Commander in Chief of our forces at a time when reprograming may be necessary, and a shift of emphasis may be necessary, in this direction or in that direction; because the situation is highly volatile. I could labor the whole situation in that area, but I see no point in doing so.

I wish to make one point, however, and that is in connection with any reductions in amounts. It is so easy to say that the conflict in Indochina has ended; there are some things we have not used yet; other items are in the warehouses, probably packed in the original grease.

There are two besetting questions. One is that we have not removed the material yet. We have had our troubles in Korea. We may be able to evacuate a very substantial amount of supplies. If we are successful, there will be a good many places to put them, because there are small countries such as Laos and Cambodia, where the Red cells are already beginning, or a country like Thailand, where we see the penetrating, infiltrating efforts of the Reds. The material will have to be shifted. We do not know how much we shall be able to get out. So it becomes a conjectural, speculative figure.

I honestly hope the amount provided in the bill will not be reduced, and that we will not jeopardize and embarrass our military leaders; because if the money is not spent, it can be returned to the Treasury.

Let us not forget the recent visit of the President of the Republic of Korea. He was insisting that a greater effort should be made in his ancient Republic, in order that full independence and freedom might be achieved. Perhaps there must be emphasis in terms of weapons, money, and supplies for the defense effort, and to protect the forces which are there, over and above what may be calendared in the bill.

So as we look at the long Asian front, which extends from the northernmost province of Japan, which is Hokkaido, where the United States has had a division for a long time, and go down the Pacific perimeter, and then go across the nebulous truce line which has resulted from the recent agreement in Europe, we get a better picture of the great area involved. If Senators have no idea about it, they ought to sit in an airplane sometime and fly all the way from Hokkaido along the Pacific coast. They would get a pretty fair idea, then, of the long line we are maintaining, and what it really takes to maintain it.

There is in the bill an item for production for forces support. That also is a part of the military title in chapter III. I seem to get my figures twisted, with respect to where I am in the bill, but I assure the Senate that I am still working from the bottom toward the top and I hope I shall not take too long. However, there has been some discussion about this particular item, because it relates to making surplus commodities available to Great Britain, so that she can have an offset amount of counterpart funds with which to produce front-line airplanes.

I like to be very cautious about the things I say and the amounts and estimates I use, in case they are wholly classified, but I think I can say that two programs are in operation. One is by agreement between the United States Air Force and the Royal Air Force. That is one program in itself.

But the program to which I am referring calls only for surplus commodities. It will make $35 million available out of the counterpart funds of Great Britain for the purpose of producing front-line fighters, as a part of the entire North Atlantic Treaty Military Organization.

A point was raised that this might make it possible for Great Britain to divert funds from her own budget, so that this amount, in a sense, would become a subsidy for commercial aviation in Great Britain. I think that argument can be made, but, in my opinion, it is so remote that I do not believe it should be too persuasive. I am more interested in getting fighter planes to the points where they may be needed. God willing, I hope they will not be needed; but, at least, as a part of the whole NATO structure, under the able generalship of General Gruenther, they will be available if they are needed.

Originally, this figure was set in the authorization bill at $70 million. In this appropriation bill it has been reduced to $35 million. So the only amount which can be carried in this bill for agricultural surpluses to be made available to Great Britain, in turn to be used for the construction of aircraft such as Canberra light bombers, Swift day fighters, and Hawker-Hunters, is $35 million; and I think it is a worth-while expenditure at a time like this.

We come finally, Mr. President, to a few items in the second chapter. They are common-use items. I shall not labor them. They are for Formosa and Turkey.

I have already indicated my interest in Formosa, Mr. President, and I am confident that interest is shared at a high level, and that with anxious hearts and careful eyes the explosive situation in that area is being most carefully watched.

When we go to chapter 1 of title I, that involves, of course, the whole NATO picture in Europe. There are a few things I wish to say about that. This involves most of the military funds in this bill.

I said there is a line which starts away up in the northern part of Norway and swings around and goes to the eastern extremity of Turkey. That is the line which the North Atlantic Treaty Organization seeks to maintain. How is a line maintained, Mr. President? First of all, we have to have airfields. We have to have fuel lines. We have to have telecommunications of one kind and another. All of this costs a great deal of money. So all those items are carried under a very interesting word, and are called "infrastructure."

That is a good mouth-filling word which ought to frighten even a Senator. But, to break it down, "infra" means "under," so the infrastructure means the understructure. In the case of an automobile, it would be the undercarriage; so this is the undercarriage for the military-assistance program in Europe.

What does it embrace? Airfields. First, in the primary line; and, secondly, further back, for a second periphery, if that becomes necessary. That means fuel. That means equipment. That means installations and all the other things which are necessary for an effective and quickly functioning military structure.

So in the bill for that, Mr. President, there is carried a total of $122.1 million.

I have little to say about the first item, the general authorization. General Gruenther spent the better part of a day with the committee, and in his informal and effective way he set forth what our responsibility was, what the limitations of his command were, and so on. Mr. President, we got a pretty fair idea of what we are trying to do and how skillfully and effectively we have done it.

Why have we done it? It is not to give things to people in European countries, but to keep a security line well beyond the shores of this country. It was done before. No alien bomb has so much as rubbed out a foot of concrete on an American highway. No alien or enemy bomb has destroyed a single dwelling in the continental United States. God willing, it will always be that way.

So I think, Mr. President, speaking for myself, I should be willing indeed to draw a containment line nearly 4,000 miles from home and say, "Call on us. We will help to hold them back behind that line and preserve all the vestiges of freedom in Western Europe." I hope that it can be pushed even further eastward so that the old idea and old principle enunciated even by Woodrow Wilson long ago, of self-determination for a humble people, may still become a reality in all sections of the world.

Let me say a word now about surplus commodities, Mr. President, to make the story complete. The Foreign Operations Administration was as good as its word, and for 1954 it actually made available and delivered $245 million worth of surplus commodities. Their estimate for

fiscal year 1955 is $350 million; and if anyone is curious as to how it will be distributed, as to countries and types of commodities, he can find the breakdown on page 294 of the record.

I wish to say one thing about offishore procurement. I remember when some folks came to me and said, "They are going to buy this or that abroad; and it ought to be stopped." Maybe it should be. But the offshore procurement program is not nearly so big in dollars or in variety as some folks think it is.

Secondly, Mr. President, it has a very fundamental purpose; mainly the development of a sort of self-functioning munitions industry in some of the small countries which could not even manufacture the ammunition for their own guns. If we are going to establish an industry on a modest basis we have to keep it running. So we buy some ammunition. We buy this, that, and the other thing. But it is in good hands and it is getting results. So at long last there will be established industries in some countries, so that they can make provision for themselves in the way of small arms, ammunition, howitzers, mortor shells. Those are the things the people of most any country can make if they have some tools, if they have some equipment, and if they have the know-how.

Up to June 30, 1953, we had $2¼ billion in this offshore procurement program. There was some subsidy in it. There was what is sometimes referred to as the Lisbon subsidy. It amounted to about $395 million. I know it was a subsidy. I do not condone it. But we got this thing on pretty good ground. So the offshore procurement program has been very substantially reduced.

For 1954 the total new money for this program was $456 million, of which $366 million was for expenditure in Europe. There was a carryover, I think, of $320 million. For fiscal year 1955 it is expected to obligate only about $300 million.

There are a few general things to which I must allude, and then I shall call up the amendments I have at the desk.

Mr. President, there is a very dry and uninteresting aspect of this matter which deserves some attention, and that is the question of unobligated and unexpended balances.

I know there are occasions when, with a rather venal glint in my eye, I said, "Look. There is so much unobligated and so much unexpended. Now we can put our hands on it and put the ax in deep."

But I wish to remind the Senate, first of all, that while there is a very substantial amount of unexpended balance, roughly about two and a quarter billion of unobligated balances, the difficulty these agencies encounter today under the procedures involved in this bill should not be overlooked. Years ago, when I was serving on the House Appropriations Committee, I felt it was much better and more expeditious simply to authorize. Then, of course, the agency had authority to commit, and in due course the appropriations could be made simply to cover the authorization. We work now on an appropriative basis, so that we run into the whole question of unexpended and unobligated balances. But let us look at the whole story for a moment. Suppose we are going to ask a country that is on the long NATO sweep, a country such as Turkey, to set into motion forces to provide a few additional armored divisions, let us say. An armored division does not, like Phoenix, spring full-blown overnight, because, after all, those countries have laws similar to some we have; and an armored division, first of all, consists of young men. So it is necessary to begin with a Draft Act or with conscription, if the country has provided for conscription, or to begin with volunteers; and then there is all the necessary administrative and preliminary work before a single raw recruit arrives at camp, let alone is in uniform or is taught close-order drill or deployed drill, or before he knows a single thing about a weapon such as a military rifle. Months and months pass before he is even in camp; and when he arrives at camp, he is still very much unprepared. Then the training begins, and during that time he must be provided with food and clothing. Finally a rifle must be placed in his hand, and there must be a rifle range and there must be ammunition. Day after day and week after week and month after month that performance must be gone through. Then if a complicated unit, such as an armored division is involved, it will require vehicles and tanks; or if an air division is involved, think of all the work in that field that is necessary. But that is not the whole story, because when the unit is finally in readiness, so it can be placed on the line, spare parts must be available, because tanks and airplanes have a way of breaking down.

So we can set a force in motion on January 1, 1954; but it may be 2 or 2½ years before we see the fruit at the other end of the line. That is what we call the lead time. Our officials cannot go to the officials of other governments and say to them, "We wish you would do this in the interest of the NATO defense line or in the interest of defense in the Pacific. We wish you would get up a couple of divisions." They would reply, "What reason have we to believe that your Congress and your country will stand by, in case we do?"

Our officials have to have in their hands authority for it, long before the negotiations begin, because they cannot negotiate with officials of other countries unless our officials are in a position to say, "We have the authority to negotiate and to come in." Furthermore, of course such negotiations and commitments are predicated upon plans, which have to have the close scrutiny of the Joint Chiefs of Staff and of our other military authorities.

So, Mr. President, when we deal with a question of unexpended and unobligated balances, certainly billions of dollars must be appropriated and made available in that way, because a plane or a tank is not built overnight. So there must be large amounts of unexpended and unobligated balances, in order that the programs may remain fluid, as they must.

After all, Mr. President, it is impossible to make a definite plan and to say that exact plan will be carried out, and that no changes will ever be made in it. That is impossible, because the situation upon which the plan is based is very likely to change. For instance, a plan may be developed in connection with an area in the Pacific; and a program may be launched, in connection with that plan. Then, suddenly, a new pressure point may develop. That will call for a change in, or a realinement of, the plan or the program. When such a change in the program is required, those in charge are not able to say, "We will send an S O S to Congress, and will ask Congress to hold a special session, so that we may be able to present our troubles." Indeed not, Mr. President. We endeavor to appropriate sufficient money and to give them sufficient funds, to enable them to carry on in flexible fashion.

In that connection, we must be sure that, by our acts, we do not disrupt the entire arrangement, because the unexpended funds and the unobligated funds are funds which those in charge of the work have programed, and the programs are complicated, and do not come into being overnight. I would be the last to disturb them, knowing how much time, effort, patience, hard work, and real interpretation have gone into them.

Mr. President, this marks the end of the story, in modest detail.

At this point I wish to pay tribute and testimony to gentlemen like Stanley Sommer, Tom Scott, and others who are members of the staff of the Appropriations Committee. Frankly, Mr. President, I do not know what we who serve on the Appropriations Committee would do if we did not have one of the finest and most competent staffs ever to be found anywhere. They come early, and remain late. They are at their work at all hours of the day and night, working hard. They steep themselves in the abstruse appropriations language. They live with these bills, and they get the answers. They know the relationships between Congress and the executive branch. So I salute every one of them. If I saw here at this time Everard Smith, the very able chief of the Appropriations Committee staff, I would salute him, also, for the marvelous job and devoted service he has rendered this country. I used to be a Member of the House of Representatives, and used to work with the House Appropriations Committee. We used to have on the House side a chap by the name of Marcellus Sheild. If we wished to know an answer to any question regarding appropriations, it used to be common to say, "Go talk to Marc Sheild."

On the Senate side, it would be, "Go talk to Everard Smith."

Mr. President, these excellent staff members have all the answers; and when I say that, I do not use a mere figure of speech; it is the gospel truth. So I salute every one of them.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. I concur in everything the Senator from Illinois has said about the committee staff, although I disagree with the speech he has made. The staff of the committee is most outstanding and excellent.

Mr. DIRKSEN. Mr. President, there are a number of amendments which I am sure are noncontroversial. I wish to call them up at this time. I now send them to the desk.

The PRESIDING OFFICER. The amendments submitted by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 2, in line 18, before the colon, it is proposed to insert "which shall be consolidated with this appropriation."

Mr. DIRKSEN. Mr. President, this amendment is only for the purpose of making sure that no complications in bookkeeping arise, and that the appropriations and holdovers can be carried in a consolidated account.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment submitted by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 7, in line 12, before the semicolon, it is proposed to insert the following: "including (notwithstanding the provision of section 9 of the act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of the Mutual Security Act of 1954."

Mr. DIRKSEN. Mr. President, some question arose as to whether the experts, consultants, and other persons employed without compensation, but who would receive, perhaps, on occasion, per diem amounts and their expenses, would be covered by language justifying the payment of those amounts. In order to make absolutely clear that when they go to meetings in a consultative capacity, there will be authority to pay their expenses, this language is suggested for incorporation in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois, on page 7, in line 12.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment submitted by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 10, in line 4, before the colon, it is proposed to insert the following: "and except that this prohibition shall not apply to employees receiving salaries in excess of $12,000 as result of general pay-raise legislation enacted during the fiscal year 1955."

Mr. DIRKSEN. Mr. President, there are on the payroll of the Foreign Operations Administration some persons in grade 15, with salaries of $11,800. If, for any reason, Congress this year or next year provides a pay raise, the salary of those persons would be increased to an amount in excess of $12,000, with the result that, under the prohibition, such persons would be precluded from receiving the pay raise, whereas those in the lower brackets would receive it. Obviously that would not be fair, merely because an interdiction was carried in the language of the previous bill. Obviously those persons are entitled to share in whatever pay raise the Congress grants other Federal employees, and they are entitled to share in that pay raise no less than the Federal employees in the city of Washington. Therefore, this amendment would make it possible for employees of the Administration, whose salaries happen, because of that development, to be carried above $12,000 to receive the benefit of that increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The next amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 13, in lines 1 through 9, it is proposed to strike out section 106.

Mr. DIRKSEN. Mr. President, in two different places the bill carries language requiring that at least 50 percent of the gross tonnage of the commodities procured within the United States out of the funds made available under this act and transported abroad on ocean vessels, be transported on United States flag vessels, to the extent that such vessels are available at market rates. Obviously it is not necessary to have that provision made at two places in the bill. This amendment is simply for the purpose of striking out the provision in one of the two places, because to have the language appear twice would be redundant.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 15, in line 2, it is proposed to insert:

Such funds shall be considered obligated in accordance with the provisions of section 1311 of the Supplemental Appropriation Act of 1955 on written orders issued bythe Secretary of Defense to the military departments for the procurement or delivery of supplies and services, when receipt of such orders has been acknowledged in writing.

Mr. DIRKSEN. Mr. President, a real auditing and bookkeeping problem always arises when these agencies deal with one another—as, for instance, in connection with dealings between FOA and the Department of Defense, or between FOA and the Navy Department. Question arises as to how to make the accounting if, for instance, certain articles are marked for delivery to another service; and the question is whether the funds are considered obligated when the goods reach the point of delivery, or whether that determination is to be made on the basis of the country or the geographical area.

This, then, is language which has been suggested to simplify and also expedite their accounting and bookkeeping. As I recall, this has the support of the Bureau of the Budget, the General Accounting Office, and others.

The chairman of the Appropriations Committee was particularly interested in this and wanted to offer the amendment himself. I understand he is attending a meeting of the policy committee, and for the moment cannot be on hand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUTLER. Mr. President, in connection with the foreign-aid program, I request unanimous consent to have included in the body of the RECORD a statement which I have prepared relating to section 103 (c) of the Mutual Security Act of 1954 (H. R. 9678).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Section 103 (c) of the Mutual Security Act of 1954 (H. R. 9678) authorizes the use of military-assistance funds for the offshore procurement of equipment or materials. Fortunately, certain safeguards which are intended for the protection of American industry have been included.

For the purpose of emphasis and reference, section 103 (c) is quoted below:

"Funds made available pursuant to subsection (a) of this section may be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will result in one or more of the following conditions:

"(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

"(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

"(3) Unjustifiable cost in comparison with procurement in the United States, taking into account transportation costs for delivery overseas; and

"(4) Delays in delivery incompatible with United States defense objectives."

My interest in these provisions stems from my activities as chairman of the Senate Water Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce. The depressed conditions in American shipyards, to which the subcommittee gave much attention, cannot be permitted to prevail even for a limited period of time. Unquestionably, the offshore procurement of ships has contributed to the present plight of our shipyards. While some improvement will naturally accrue from maritime legislation now in various stages of passage in the Congress, the predicament of this vital industry is not a capricious notion. The relationship of the American shipbuilding industry to our national economy and to our national defense potential cannot be challenged.

Convinced that these depressed conditions in American shipyards merited for them preferential consideration over foregn shipyards for which contracts had been allotted under the Navy's off-shore ship procurement program, I felt it incumbent upon me as chairman of the Senate Water Trans-

portation Subcommittee to urge that these contracts be placed in this country. As a result, several months ago, I was advised by Admiral Leggett, Chief of the Navy's Bureau of Ships, for whom I have the highest regard, that contracts totaling $27,500,000 for minesweepers for the North Atlantic Treaty countries, would be diverted back from European shipyards to yards in this country.

For fiscal year 1955, it is my understanding that the offshore-procurement program has been reduced in comparison to previous years, but it still contemplates an expenditure in foreign areas of $28 million for ships.

The report of the Senate Committee on Appropriations dealing with the mutual security appropriation bill (1955) contains a very encouraging observation which I feel is worthy of repetition:

"The committee was impressed with evidence presented from several sources protesting against procurement of certain types of civilian supplies and equipment through the offshore program. While the committee feels that the objectives sought by the administration in attempting to shore up the economy of our allies is commendable, there is strong feeling that this should not be done at the expense of those United States industries which are experiencing economic difficulties. Accordingly, the committee directs that the administration evaluate carefully all contracts made under the offshore-procurement program and admonishes the administration to weigh carefully such factors in the letting of all contracts. It is further directed that quarterly reports be submitted to the committee listing, on an item-by-item basis including unit costs, all items procured through the offshore-procurement program."

The comments of the Committee on Appropriations of the House of Representatives are likewise deserving of consideration:

"The total programed to date for offshore procurement is approximately $2.2 billion. The amount planned for this activity in 1955 is $300 million. The purposes of this program are well understood by the committee and the program should be continued in the interest of mutual defense, both from the standpoint of pricing and development of defense capabilities of our allies. However, it is the feeling of the committee that in the past some phases of this program were embarked upon without full consideration having been given to the maintenance of a desired mobilization base in this country. It will be advantageous to continue to procure many items outside the United States, particularly certain ammunition. However, the program, both current and proposed, should be closely reviewed with the view of a more strict application of conditions governing such procurement, as stated in section 103 (c) of the authorizing legislation."

Thus, the congressional intent would seem to be clear and precise. Distortions to our domestic economy are not the intended by-product of offshore-procurement programs, and I would certainly characterize the present posture of the American shipbuilding industry as distorted.

Having devoted much attention to the entire offshore-procurement program, and being firmly convinced that our shipbuilding capacity and potential must be preserved and strengthened, I shall continue to view with much disdain any offshore procurement of ships.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCARRAN. Mr. President, I have an amendment on page 5, line 16. To that amendment, I admit that a point of order should be sustained, but I have another amendment to offer, and I send it forward to the desk.

The PRESIDING OFFICER. The Chair is advised that the amendment which has been sent to the desk by the Senator from Nevada in effect makes a change in an amendment which has been agreed to.

Mr. McCARRAN. That is correct.

The PRESIDING OFFICER. The committee amendment has been agreed to, and it has not been stricken out on a point of order.

Mr. McCARRAN. I move to strike the committee amendment, Mr. President.

The PRESIDING OFFICER. If the Chair understands correctly, the Senator from Nevada moves to strike out the language of the committee amendment and insert the language contained in the amendment sent to the desk.

Mr. McCARRAN. That is correct.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 5, line 16, it is proposed to strike out the proviso and insert in lieu thereof the following: *"Provided,* That no funds appropriated in this act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on standards comparable to those standards contained in the United States Immigration and Nationality Act."

Mr. McCARRAN. Mr. President, since the first amendment was subject to a point of order, I have sent to the desk another amendment on the same subject, which has been read by the clerk. This amendment is a limitation on an appropriation bill, and I have been so informed by the Parliamentarian.

Mr. President, this amendment would provide that none of our contributions to the Intergovernmental Committee for European Migration shall be used to assist any person to migrate to the Western Hemisphere who does not have a security clearance based on standards comparable to those in the United States Immigration and Nationality Act.

Mr. President, this amendment follows the principle of the great Monroe Doctrine. Under it there could not come into the Western Hemisphere those who would not comply with our standards of internal security.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I certainly will.

Mr. SMITH of New Jersey. It was my intention to raise a point of order with regard to the proviso which the Senator has just proposed be stricken, and for which he has offered a new amendment. After talking with the distinguished Senator from Nevada, I am convinced that he is endeavoring to accomplish something in which we are all deeply interested and desire to support.

In order to clarify the matter in my own mind and in the minds of those who may read the RECORD, I should like to ask the Senator 2 or 3 questions which I think will clarify any possible issue which might arise.

In the first place, is there a conflict here? This may possibly be offensive to the Latin American countries, if we seem to be indicating what should be their standards for admission of outsiders. I should say that I am opposed to the United States unilaterally trying to impose on international organizations or sovereign nations its own attitudes and laws. We should reach these objectives collectively and cooperatively.

Is it the purpose of this amendment to require that the ICEM or any receiving country adopt the screening requirements of the United States, or are we simply aiming to provide security clearance for individuals who may be going to these countries?

Mr. McCARRAN. The latter part of the Senator's statement expresses the intendment of the amendment; in other words, it is to secure clearance for individuals who may come to countries in this hemisphere, and to guide our own officials in effecting, so far as possible, the standards prescribed by the Immigration and Nationality Act.

Mr. SMITH of New Jersey. A further question which occurs to me in this connection is this: I assume from the use of the words "assist directly" the Senator from Nevada does not intend to make the ICEM keep separate accounts of administrative funds, but he intends only that the United States funds shall not be used to move a migrant to the Western Hemisphere after it has been discovered that he would not meet United States standards. Am I correct in that?

Mr. McCARRAN. The question is to be answered in the affirmative.

Mr. SMITH of New Jersey. We can go ahead and make our appropriation to the ICEM in Geneva so it may be used for administrative purposes, regardless of whether it is kept in separate accounts. If Mr. "X" has been selected to go to Brazil, let us say, we are merely interested in seeing that Mr. "X" meets the security requirements of our rules.

Mr. McCARRAN. That is correct.

Mr. SMITH of New Jersey. A further question. It is my understanding that the appropriation for this item in this bill is for the United States contribution for calendar year 1955, thus giving ICEM until January 1955 to adjust to this provision. It is clear to me that if we were to put this into effect immediately, there would possibly be some machinery needed in Geneva whereby the security clearances could be provided for. ICEM has adequate appropriations already to take care of their program until next January, and the Senator's amendment would give the organization until that time to arrange for these clearances. Is that correct?

Mr. McCARRAN. That is the intention of the amendment.

Mr. SMITH of New Jersey. Naturally, we assume the organization will act along these lines more quickly, if possible, but I am glad to have the Senator's reassurance that that is the intention.

Finally, I ask this question: I notice the word "identical" appears in the original draft, and that it has been changed to "comparable." I would interpret the word "comparable" as applied to security standards to go to the substance of the protections afforded by the Immigration

and Nationality Act, and not necessarily to the details, technicalities, and so on. What we are endeavoring to do is protect ourselves against subversives infiltrating into South America.

Mr. McCARRAN. We are trying to protect the United States of America from those who might be brought into countries in the Western Hemisphere, who are inimical to our internal security or our external security. We also intend to protect the entire Western Hemisphere from infiltration by Communists from abroad.

Mr. SMITH of New Jersey. I am very glad indeed with this explanation, to ally myself with the Senator in this amendment. As he has said, we recognize today that the Monroe Doctrine of 1821 was announced, in consideration of something at the time which was totally different from the danger we face today. We have seen evidence in the Guatemala situation, for example, of penetration which is definitely in violation of the spirit of the Monroe Doctrine.

Mr. McCARRAN. That is correct.

Mr. SMITH of New Jersey. The distinguished Senator is trying to put into words a guiding sign that the infiltration by Communist subversives is one of the dangers which we guard against today in our interpretation of the Monroe Doctrine. Is that correct?

Mr. McCARRAN. The Senator has expressed my views exactly.

Mr. SMITH of New Jersey. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I understand that the Senator from Michigan has a short statement to make. I intend to suggest the absence of a quorum before I speak on my amendment.

Mr. FERGUSON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 3, line 14, before the semicolon, it is proposed to insert the following: "*Provided,* That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not cooperating in common defense efforts against further Communist penetration and aggression."

Mr. FERGUSON. Mr. President, the amount involved in this particular section of the bill, on which the amendment would be a limitation, is $700 million. It was the purpose in the appropriation bill, as well as in the authorization, to allow the President of the United States this sum of money and to allow him flexibility, so that he could use it to the best advantage possible to the United States.

However, we feel that Congress should speak out and say what it thinks should be the guide line. The Senator from Nevada and the Senator from New Jersey have said that one of the forms of aggression is Communist penetration or infiltration. I think the time has come when we must prepare not only for an aggressive war, but when those of us who are opposed to communism and feel it is an evil must see to it that Communist penetration is stopped, whether it be inside a country or across a border.

Therefore, we feel that this amendment would set up a guide line and give the President discretion because he is familiar with the facts.

It is not a limitation upon him in the sense that he cannot do as he believes the facts warrant. The amendment provides:

Provided, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not cooperating in common defense efforts against further Communist penetration and aggression.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. I wish to say to the Senator from Michigan that the amendment is a sound and necessary amendment. The original amount involved was for the defense of Indochina. No one knows exactly what the future may hold in that area of the world. Certainly as a result of the Communist advances into the Tokin Delta and as a result of their taking over an area in northern Vietnam, populated by about 10 million people, there is created a very great threat to Burma, Thailand, Laos, Cambodia, southern Vietnam, the Malay States, the Philippines, and Indonesia, and perhaps even Australia and New Zealand.

In this section of the bill, dealing with the fund which is designed for defense in that area of the world, it seems to me that the very least that should be expected of any of the nations which would participate in the use of these funds is that such nations should be willing to cooperate in common defense efforts against further Communist penetration or aggression.

This is, as I have always understood, a mutual security undertaking.

Mr. FERGUSON. That is correct.

Mr. KNOWLAND. For the common defense, for mutual defense against the one great danger in the world—in Europe as well as in Asia and in the Americas—the international Communist conspiracy. It is the conspiracy which has its fountainhead in the Kremlin and which has been moving into every vacuum that has been created in the world.

It was for that purpose that the North Atlantic Treaty Alliance was set up. It was for that purpose that economic aid was given. Its purpose was to insure that free nations might not be weakened and fall prey to ruthless communism.

In this area of the world communism has been on the march. It was temporarily stopped in a stalemate war in Korea. Having been stopped there, communism has been feeling out every other section of the world. For the moment that part of the world happens to be southern Asia. There communism has won a substantial victory, and has endangered other areas in southeastern Asia.

If we believe in collective security, if we believe in a mutual-defense system, and if this is a mutual-security bill, then it seems to me that the nations which are participating in such collective and mutual security should at least be prepared to cooperate in a common effort to prevent further Communist aggression and penetration. If they are not prepared to do it, it seems to me the American people and the American Government and Congress, and the other free peoples of the world, should be so informed.

Mr. FERGUSON. I am glad the Senator from California has spoken in behalf of the amendment. I agree with what he has said.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KENNEDY. If the amendment of the Senator from Michigan should be adopted, the Senator does not believe, does he, that the terms of the truce in Indochina, which places a limitation upon the freedom of the Vietnamese kingdom to associate itself with us in a defense activity, would prevent the United States from assisting the Vietnamese militarily?

Mr. FERGUSON. The President would, in his discretion, be able to assist them in their desire to defend themselves because under the terms of the truce they would be able to defend themselves.

Mr. KNOWLAND. I completely concur in that statement, because certainly, whether the terms of the Geneva conference and some of the protocols of the conference may prevent the wholehearted participation which the Vietnamese and Cambodians and Laosians may wish to have in joining a pact, and although there may be some prohibition against doing it under the terms of the Geneva conference, certainly there would be no prohibition against their common effort to prevent further Communist penetration and aggression from taking place, and that would be of benefit to the nations of the free world.

Mr. KENNEDY. I should like to address a question to the Senator from Michigan. Is it the Senator's hope that most of the equipment which the United States has given to the French Union forces which are now in south Vietnam and the equipment which is being evacuated from the north will be given to the local Vietnamese forces, to permit them to defend themselves?

Mr. FERGUSON. They and the other free nations in that area of the world certainly should share those weapons in defending themselves.

Mr. KENNEDY. That is the hope of the Senator from Michigan?

Mr. FERGUSON. That is correct.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SMITH of New Jersey. If I correctly understand the breakdown of the figures in this appropriation, the fund to which the Senator from Michigan is referring is $700 million.

Mr. FERGUSON. That is correct.

Mr. SMITH of New Jersey. It does not apply to the other funds for the Far East?

Mr. FERGUSON. It applies to this particular fund.

Mr. SMITH of New Jersey. For Burma, Indonesia, and the other countries?

Mr. FERGUSON. It applies to this very fund, $700 million.

Mr. President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON].

The amendment was agreed to.

ORDER FOR RECESS UNTIL MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its labors this evening it stand in recess until 10 o'clock next Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the session of the Senate for the remainder of today.

APPROPRIATIONS FOR MUTUAL SECURITY

The Senate resumed the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

Mr. MAYBANK. Mr. President, I desire to call up my amendment, 8–10–54–E.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from South Carolina.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out "$1,392,700,000" and insert "$1,192,700,000."

Mr. MAYBANK. Mr. President, I do not intend to delay the Senate, which has done so much work in the past 2 months, but I believe this amendment is worth bringing to the attention of the Senate, because, certainly, as a member of the Appropriations Committee, when the bill was shown to me, I was deceived, so to speak.

I suggest the absence of a quorum, and I shall speak for only 5 minutes.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAYBANK. Now, Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, I know that no member of the Appropriations Committee will differ with me in the statement that there was an amendment in the appropriation bill—and I read from page 3 of the side-slip—as follows:

> The executive branch recommends that the following revision be incorporated in the pending bill on page 2, line 20: *"Provided further,* That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for.

I wish to be frank, Mr. President. I have apparently been tricked, but when I saw this item in the Appropriations Committee I brought it up, and the honorable and distinguished chairman of the Armed Services Committee [Mr. SALTONSTALL] told me that we should at least know what we are doing in the Appropriations Committee. We adopted an amendment to limit the authorization to $200 million.

That is all that my amendment would do. It would not eliminate any foreign aid. It only asks that the Defense Department use $200 million worth of goods which was on its way to Indochina and is still aboard ship. Either it has not been delivered or it is still on the docks. The amendment would require only the use of that material before taking $200 million out of the cashbook of the American taxpayers. That is all it would do. I am not proposing to cut out any foreign aid.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CHAVEZ. I want the Senator from South Carolina to orient me on the purpose of his amendment. Do I correctly understand the Senator to say that his amendment would take away $200 million?

Mr. MAYBANK. In cash.

Mr. CHAVEZ. In cash money?

Mr. MAYBANK. That is right.

Mr. CHAVEZ. And that would be supplanted by war material and equipment which we now have on hand, which has already been paid for?

Mr. MAYBANK. By shipments of material which the distinguished Joint Chiefs of Staff stopped from going to Indochina. I shall not go into the details. The Senator from New Mexico was at the meeting with General Stewart. Millions of dollars worth of material was on its way, which never was delivered. We can use that instead of using new tax money.

Mr. CHAVEZ. As I understand, it is as simple as taking away $200 million of new money?

Mr. MAYBANK. That is correct.

Mr. CHAVEZ. But it is not intended to deprive this country of the materials which it has bought.

Mr. MAYBANK. No; those materials would be available.

Mr. CHAVEZ. They would be made available through material already in existence, for which the American taxpayers have already paid.

Mr. MAYBANK. One of our great military leaders has testified that the material is in existence. But I shall not go into that. The Senator from New Mexico was at the meeting.

All I ask is that we use what we have; that the taxpayers be paid back, rather than that we should spend $200 million more. That is all.

Mr. DIRKSEN. Mr. President, I hope the Senate will be quite clear about what is intended by the amendment. It is offered on page 2 of the bill and relates to military assistance. It is clearly an effort to reduce the amount of military assistance provided in the bill, all up and down the line, by $200 million.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. The Senator is aware that no one knows, according to page 3 of the side slips, how much military equipment we have. The Senator knows that it was presumed to be around $700 million, but no one could tell us how much was available. There was some testimony that $60 million worth of equipment was already in ships which have not been unloaded. The Senator knows that.

Mr. DIRKSEN. The Senator knows more than that.

Mr. MAYBANK. I know more than that, too.

Mr. DIRKSEN. Mr. President, when the bill was first presented, the request for new funds for military assistance was $1,580,000,000. The language of the bill as reported by the committee—I think by a unanimous vote, with one or two reservations—provides for $1,392,000,000.

The item for military assistance was reduced very substantially. But the Senator from South Carolina wants to cut it by $200 million more.

This item does not apply alone to Europe; it applies to the whole military assistance amount. It is for any military items that may be in the bill, whether they be for Africa, southeast Asia, or Europe.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. Please let me continue for a moment.

Mr. MAYBANK. I am always glad to listen to the eloquent voice of the distinguished junior Senator from Illinois.

Mr. DIRKSEN. I tried to make clear this afternoon how completely fretful and feverish the entire military picture is. There are troops in large numbers stationed in China, immediately across from Formosa. They are no idle threat. I could see them through field glasses. They were shelling the island with howitzers the day before I arrived. There had been an actual invasion some months before that time. There is serious business over there. So we had better be careful about cutting military items.

There was written into the authorization bill a degree of flexibility which

was designed to give the Commander in Chief, to whom the appropriations are made—they are made to the President in every case—an opportunity to assess the situation as he goes along, relying upon the intelligence he receives from his Joint Chiefs of Staff.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. The bill provides for $500 million more than the authorization bill which the Senate passed. Anyone with commonsense knows that.

Mr. DIRKSEN. The language speaks for itself. The amount is $445 million below the estimate.

Mr. MAYBANK. Oh, but——

Mr. DIRKSEN. Will the Senator let me continue?

The PRESIDING OFFICER. The Chair will have to ask that the regular order be followed. Unless the Senator from Illinois, who has the floor, intends to yield and does yield, he will continue with his remarks.

Mr. DIRKSEN. My friend from South Carolina has confidence in the men who have been doing the real spade work in the Appropriations Committee. We have fine staff members, who are very competent indeed. They verify and reverify, time and again, each item as it comes before them. One needs only to read the report.

The bill as reported to the Senate, for fiscal 1955, is $447 million less than the estimates, and is $1,540,000,000 less than the amount appropriated for the previous year, fiscal 1954. Either I can read figures, or I cannot. That is what the report shows. The committee staff would not dare present to the Senate figures which were at variance, because the Senate will have to go to conference with these figures.

The figures which are contained in the bill will have to meet the test of the Budget Bureau; but, more than that, they will have to meet the test of the General Accounting Office, when the accounts are set up.

There are the figures: A billion and a half dollars less than was appropriated for 1954; a mere half billion dollars under the estimates for 1955.

The question came up on the theory that there would be much recoverable equipment in Indochina; therefore, we should make a slash. I have gone into that. There was a great deal of testimony about it, most of it off the record. I had to ascertain as best I could what the real facts were.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I wish my good friend from South Carolina would let me answer him.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. DIRKSEN. This is authentic information which I received from the department:

> The dollar value of equipment in Indochina that can be recovered and used elsewhere in the program cannot be determined at the present time, since we are now in the process of making arrangements with the French Government and three Associated States as to the disposal of the military equipment on hand. It is anticipated, however, that most of this equipment will be required by forces of southern Vietnam, Laos, and Cambodia, and by those forces of the French Union which continue to be stationed in the area.

We shall try to develop the program where the equipment is located. There are small neighboring countries which need some of it. Some of the equipment may have to go elsewhere, but we cannot do any more than conjecture what amount will be recovered and what will be available for distribution elsewhere.

Are we, in the quiet of this Chamber on a Saturday afternoon, about to tie the hands of the Commander in Chief of an operation which is 12,000 miles from the Nation's Capital? That would be most shortsighted, and I would not want to be in that situation.

I have confidence in Admiral Radford, in General Van Fleet, and in General Eisenhower. If we cannot take their word, whose word can we take? I would rather err on the larger side and see extra money provided than to reduce the amount still further at the time when it might be needed, particularly in the case of military items. I assure the Senate that the cut which is proposed on page 2 is in the military-assistance program.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. My friend from Illinois has spoken about Admiral Radford. I wish the administration had had enough sense to listen to Admiral Radford last February.

No one holds Admiral Carney, who is one of the great men the Nation has produced, in higher regard than I do.

No one holds General Ridgway, who is a member of the Joint Chiefs of Staff, in higher esteem than I do. I am certain that he is disappointed that two divisions were eliminated.

No one holds General Twining in higher regard than I do.

But the Senator from Illinois well knows that none of the members of the Joint Chiefs of Staff knows how much they have. That is the truth. We heard the secret testimony. They have equipment, equipment, and equipment. I understand there is equipment to the value of $62 million now in ships, and quite a number of the ships are in port.

Why tax the American people again, as the Senator from New Mexico [Mr. CHAVEZ] so well stated—he was present at the secret sessions—in order to provide more money for more equipment, when we already have sufficient equipment which is unused?

Mr. DIRKSEN. Mr. President, I am so glad my friend brought up Admiral Radford.

Mr. MAYBANK. He is a great man——

Mr. DIRKSEN. Now, let me proceed for just a moment.

Mr. MAYBANK. The Senator was in the secret meetings when we talked with him.

Mr. DIRKSEN. That is correct.

Mr. MAYBANK. I am not allowed to disclose what he said.

Mr. DIRKSEN. I share the admiration of the Senator from South Carolina for Admiral Radford. He is one of the great military men—quiet, restrained, and well demeaned.

What did he say? He said there in the hearing room, "Gentlemen, I entreat you earnestly not to cut these items or to destroy the flexibility in the bill."

Since the Senator from South Carolina and I both share an almost religious devotion to Admiral Radford, let us join with him, and either withdraw the amendment or reject it by a resounding vote.

Mr. MAYBANK. The distinguished Senator from Illinois knows well enough that what I am referring to is what Admiral Radford said in confidence.

Mr. DIRKSEN. Yes.

Mr. MAYBANK. And I will not repeat it.

Mr. DIRKSEN. What I stated was what he said in an open hearing.

Mr. MAYBANK. That is not what I was referring to.

Mr. DIRKSEN. The Senator from South Carolina is proposing to cut out $200 million for military purposes.

Mr. MAYBANK. I am not proposing to cut out anything. I am merely proposing to take over the material which was to be shipped to Indochina, which is worth $92 million, according to the ticker tape, so it must be correct; and I am proposing that that material be used, instead of putting out more of the taxpayers' money.

Mr. DIRKSEN. This is serious business. We are fooling with the destiny of this country. The amendment of the Senator from South Carolina proposes on page 2, line 6, to strike out, "$1,392,700,000" and insert in lieu thereof "$1,192,700,000." That is a $200 million cut in the military item in the bill. On the basis of the testimony of Gruenther, Radford, and Van Fleet, I would be the last man in this Senate to go along with that kind of proposal, when these feverish forces are on the horizon in the Pacific area. That is the amendment of the amendment of the Senator from South Carolina.

Mr. MAYBANK. Of course, that is the amendment——

Mr. DIRKSEN. Exactly.

Mr. SALTONSTALL rose.

Mr. MAYBANK. But the amendment is based on the proposal that the Secretary of Defense shall turn over to FOA not to exceed $200 million. I see that the Senator from Massachusetts [Mr. SALTONSTALL] is on his feet. He himself limited the amount to $200 million. He and I together did it in the committee. That does not count the ships. That does not count everything we have given them at the expense of the American people. That amendment is based only on the assumption that the Senator from Massachusetts and myself——

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Has the Senator from Illinois yielded the floor?

Mr. DIRKSEN. Not yet.

Mr. MAYBANK. I thought he had.

Mr. DIRKSEN. I desire to yield to the Senator from Massachusetts.

Mr. MAYBANK. I know the Senator from Illinois would not wish to shut me off.

Mr. DIRKSEN. Oh, indeed not.

Mr. MAYBANK. I merely wish to complete my statement, Mr. President. I appreciate that my distinguished friend, the Senator from Illinois has yielded to me. I say to the distinguished Senator from Massachusetts [Mr. SALTONSTALL], for whom I have great affection, that he limited the amount to $200 million in the committee. I do not know how much is involved, but all I am asking is a limitation of $200 million, so that available material can be used in lieu of cash. Let me say further, because the Senator from Massachusetts comes from a seaport town, as I do, that ships were not affected. Is that correct?

Mr. SALTONSTALL. That is correct.

Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I merely wish to add that there is material in various ships, on various docks, and in various places, but the material must be reinventoried, assembled, and then directed to the places where it can best be used. What the Senator from South Carolina is proposing is that we say to our forces and to our friends in Europe, "There may be 100,000 rifles or a few tanks on a ship somewhere in the middle of the Pacific. You take that instead of the cash you may need for the equipment that will be useful in Europe at the present time."

The value of the material is in excess of $200 million. There is no question about that. But, when $200 million in cash is taken out of the bill, and in its place we say that there is available $200 million of guns and tanks which may be in some ship, or in a certain state of repair, or on some land in Indochina, that is not providing the aid that is intended to be provided by the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. MAYBANK. I wish to express my great admiration for the distinguished chairman of the Armed Services Committee. We both voted for the nominations of Twining, Radford, and Carney, and those officers have enough sense to know that if the cargo in those ships is needed, it will be sent quickly to the proper place.

Mr. SALTONSTALL. The expert who testified before the committee—I do not recall his name at the moment—said that the material had to be reinventoried, examined, and redirected. There is material which may be available. However, that is not what we are trying to do. We are trying to give Europe what she needs most at the present time. We are trying to direct the most efficient aid possible to Indochina and other countries in the Far East. If that material is to be of assistance, let us make it available; but let us not say that we will make available the material in place of cash.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I wish to understand what the chairman of the Armed Services Committee has said. He has stated that there is material available somewhere, but it is not inventoried. We do not know how much it may be worth. It may be worth $1,500,000,000 or $1 billion. But, instead of making that material available, it is being proposed that $200 million of the taxpayers' money shall be given away, and that the donees, foreign countries, may spend it wherever they please and not buy materials manufactured in this country.

Mr. SALTONSTALL. No. We are providing that $200 million will be used for material which will be manufactured in this country and shipped to the people to whom it will be most useful, provided Admiral Radford and the other members of the Joint Chiefs of Staff say it is the right material for the right spot at the right time. If some of the material that is in the swamps of Indochina can be made available and it is found to be useful, of course, that can be arranged. However, those arrangements must be worked out.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, I have the floor.

Mr. MAYBANK. I beg the pardon of the Senator from Illinois.

Mr. DIRKSEN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I appreciate the courtesy of the distinguished Senator from Illinois. I merely wish to say, while we are talking about Indochina, that General Van Fleet came to the committee for a secret meeting. I shall not talk about what he said with reference to Indochina. I only hope and pray—and I say that most respectfully—that we recapture that material. I am talking about material that has never been delivered. I am talking about what is in the holds of ships. I am talking about what is on the docks. Of course, there is material worth $1 billion in Indochina. I am not going into that.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. THYE. If we knew exactly where the material was, and we could inventory it, assemble it, and ship it to where we wanted it to go, then I would support the amendment of the Senator from South Carolina. However, that is not the case, and the facts will not be known for several months. We are not certain where that material is at this time, and for that reason I do not think we should deny these funds. Therefore, I must vote against the amendment.

In the course of time I hope the material will be inventoried, assembled, and shipped to the places where it is needed. In that event the cash will be in reserve next year. That is the assurance we have received. We have received the assurance that if the material can be inventoried, assembled, and shipped to the places where it is needed, the money will not be spent. However, if the material is not found and inventoried in the amounts and in the manner we anticipate or hope it will be, then there will be a need for the money. I shall not be a party to jeopardizing our national security while we are hunting for an inventory of material.

Mr. CASE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. CASE. What relationship is there between the $200 million and the proviso which appears at the bottom of page 2, and running over to page 3, which refers to $200 million in inventory value?

Mr. DIRKSEN. That language was suggested, and it was modified by the Appropriations Committee so that we could make an exception up to $200 million, so far as cash inventory was concerned, but excluding capital ships. I have not looked at it recently.

Mr. CASE. Does that overlap on this $200 million?

Mr. MAYBANK. Certainly. That is additional money.

Mr. DIRKSEN. The cut, of course, applies to all the military items here; and when we lump all these together—and I want my friend, the Senator from South Carolina to listen——

Mr. MAYBANK. I always listen to the Senator from Illinois.

Mr. DIRKSEN. There are a number of imponderables here we do not know.

Mr. MAYBANK. I might say——

Mr. DIRKSEN. We do not know how much is in ships at the moment. We do not know how many supplies will be recovered. We do not know at the moment, under the rather vague terms of the so-called Geneva Peace Treaty, how much we can redeploy out of storage in Viet Nam; and also Laos, next door; and Cambodia, next door; nor do we know what the needs may be in Burma or in Thailand. We have to allow some latitude to those in authority.

Mr. MAYBANK. Mr. President, will the Senator yield? I want him to yield because he mentioned my name.

Mr. DIRKSEN. I do not know how else we could do it. We might save a million dollars or we might save a couple of million dollars. I assume if the material is not needed in the Far East and if the situation is such that the challenge can be met without the extra money, obviously it will come back and it will show up as an unexpended balance.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Illinois has yielded to the Senator from South Dakota.

Mr. MAYBANK. The Senator mentioned me.

Mr. DIRKSEN. Mr. President, I can only hear with one ear at a time.

Mr. CASE. Let me say——

Mr. MAYBANK. The Senator from Illinois often listens to the left.

Mr. DIRKSEN. I will yield to my friend from South Carolina.

The PRESIDING OFFICER. Will the Senator from Illinois suspend, please, until we have order. It is possible to yield to only one Senator. The official reporter, who is trying to follow this debate, can follow the voice of only one person. So if Senators follow the regular order, the Chair is sure all Senators will get along much better.

To whom does the Senator from Illinois yield?

Mr. DIRKSEN. I yield to my friend from South Carolina.

Mr. MAYBANK. I appreciate the remarks of the distinguished Presiding Officer. I only wish to say that I have seen the Senate Official Reporters take down, with accuracy, as many as 4 or 5 voices at one time.

In answer to the Senator from Illinois, of course nobody knows what may happen. The Senator from Illinois knows as well as I do that we have sent a billion dollars worth of equipment to the area to which we are referring. That was in the newspapers. How much we will get back is not known.

However, I am not talking about that. I am talking about $200 million worth of material which has never been sent. It is aboard ship or is tied up at the docks.

I hope and pray that under the able leadership of our Chief of Staff we shall get all back.

Mr. DIRKSEN. Mr. President, I surrender the floor, and ask for a vote.

Mr. LONG. Mr. President, in considering this amendment I believe it would be well to point out that this is a part of the European program which has been going on for some time. Since we undertook this program we have given Europe $17 billion in arms and defense support—which has been, in many cases, a process of letting them manufacture the arms for themselves, rather than giving our men the work and the business in American factories.

That amount is on hand, Mr. President. That is not $17 billion which had to be consumed in a war. Thank the merciful Lord the Communists have not captured that $17 billion worth of supplies and equipment. It is all waiting there—the $17 billion.

In addition to that, we have on hand for Europe approximately $5.8 billion more. That is on its way. That is enough to carry the European program for some time—$5.8 billion.

What the Senator from South Carolina is proposing to say is, "Give Europe everything we ever talked about giving Europe, but we have a windfall of about $1.4 billion in Indochina."

Why do I call it a windfall? Because the French lost the war. We had $1.4 billion worth of material we were going to send there. Much of it has not been delivered. It is still on the way.

Mr. MAYBANK. Will the Senator yield?

Mr. LONG. Will the Senator permit me to take a moment or two more? Someone did say, "Why do we not give the money to Thailand?" We already have an adequate program for Thailand.

In this overall program there will be $13 billion on hand when this bill passes. Out of the $13 billion we have on hand, how much could we effectively spend in Thailand? We came up with a figure, if I recall correctly, of around $22.7 million.

Someone said, "Give it to Burma." We cannot give it to Burma. Burma will not take it.

Someone said, "Give it to India." We cannot give it to India. India will not take it. India will not agree with us on any sort of a mutual defense arrangement.

Someone said "Give it to Indonesia." Indonesia turned it down. Indonesia will not take it. That is why we will not be able to give it to Indonesia, just as we cannot give it to Ibn Saud in Saudi Arabia. The newspapers today carried the story that we had sent a 30-man delegation to Saudi Arabia with $1.7 million, and he threw them out on their ears. He would rather have the $200 million from the American oil companies than that little $1.7 million with strings attached to it in the point 4 program.

We have this thing loaded down with more money than we can spend in 2½ years.

We had another $1.4 billion involved in the war, in Indochina. France lost that war.

What does the Senator from South Carolina say? The Senator says, "Take some of that $1.4 billion we saved over there"—it is not that we saved it, but we shall not be able to spend it, because the Communists won that war—"take $200 million of that and deliver it instead of appropriating more money."

Mr. President, the Senate expressed its judgment a short time ago, and authorized an appropriation of $2,710,000,000. Doing so, the Senate made it possible for the Committee on Foreign Relations to agree to almost exactly the committee bill. The Committee on Foreign Relations simply met with the committee on the other side and said, "We will take the figure of the difference between the Senate and the House figures and divide it by two. Then we will finally arrive at the same figure the Senate Committee on Foreign Relations agreed to in the first place." So much of the $500 million of saving was wiped out. While our committee was in the process of conferring, the Senate Appropriations Committee was at least theoretically bound by the judgment of the Senate, because the conference had not yet reported back. At a time when they were bound by the judgment of the Senate, knowing what the judgment of the Senate was, the committee reported this bill to give $2,990,000,000.

Mr. MAYBANK. Plus more for the Defense Department.

Mr. LONG. Plus $200 million extra for the Defense Department.

Mr. President, that brings us a bill which is $400 million more than in the judgment of the Senate on the authorization bill only a week ago should be appropriated. The Senator from South Carolina is not proposing to cut back anything on the program. He wants them to have just as much as they ever have had, but he would like to see a little bit of wisdom exercised, with a little bit of careful spending on this program.

Mr. President, if we pass this bill as it stands I say this will be the most loose spending Congress there has been since World War II.

Why do I make that statement? Because here is a bill that has $1.7 billion in it related to the Indochina war. The war ended while the bill was before the Senate. In fact, the war ended while the bill was before the House of Representatives.

Mr. MAYBANK. Will the Senator yield?

Mr. LONG. What did we do with the $1.4 billion? We said we might have some need for it somewhere else at some time, notwithstanding the fact that we have already allowed them to build up, on hand, $13 billion worth. Think of that—$13 billion on hand.

Notwithstanding all of that they say, "Well, it would be well not to cut back on this item. Someone may need it sometime. It might be regarded as a fire bell, warning that we are backing off on foreign aid." So they say "Go ahead and appropriate the whole amount, even though the war is ended in Indochina."

Then, Mr. President, we discovered a short time ago that we thought we were passing a carefully scrutinized defense bill, but the very able chairman of the Armed Services Committee analyzed that budget and found out that there was $2 billion for the Army which was "fat." The Army said the only reason they did not reduce their request by $2 billion was that they thought it should be included for psychological purposes; that not to appropriate it might somehow affect someone and be regarded in a poor light, from a psychological standpoint.

So, Mr. President, if we take the Army figure and add this $1.4 billion which we do not presently need to the $2 billion excess in the Army budget we have a total of around $3.4 billion of unjustified appropriations that this Congress is nevertheless proceding to appropriate.

There may have been some time when we appropriated money more loosely, but I should like to find out when it was, if it ever occurred.

I submit that the Senator from South Carolina has presented a very carefully considered amendment. It reflects the judgment of the Senate a week ago, and I hope it will be agreed to.

Mr. MAYBANK. I should like to ask the distinguished Senator from Louisiana. if he is aware that there is some $600 million or $700 million in this bill to pay the cost of the Indochina war, on a 50–50 basis with France.

Mr. LONG. I am aware of that.

Mr. MAYBANK. In other words, the American people are paying half of the cost of the war in Indochina. That is in this bill, in addition to what I have talked about.

I cannot understand how the Secretary of Defense could suggest an amendment designed to give him the right to transfer a billion dollars to Indochina, and to transfer all of the material on the ships that have not been even unloaded.

I hope no one is suggesting that the men like Admiral Carney and General Ridgway and General Twining do not have enough sense to know what to do with those materials. If I believed that I would resign from the Senate. I have great trust in them.

Mr. DIRKSEN. Mr. President, let us see what the figures are. In the first place, when the conference report was completed and came back, the authorizations in the conference report totaled $3,252,000,000. That is, in round figures, $3¼ billion. That is the conference figure.

It was said that $228 million would not be requested, so the amount was reduced to $3,024,000,000, which was available. The amount of the bill before us is $2,990,000,000.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. Let me continue for a moment.

We are $34 million below the conference authority, in addition to the $228 million of conference authority which was never requested.

Secondly, let us say with respect to Indochina, that this is not the story that the Senate has heard. There was $800 million in the bill. How was the matter handled? We had an Executive arrangement with the Associated States and with France under which we absorbed a portion of the cost in Indochina. We sent Gen. "Iron Mike" O'Daniel out to Indochina. We sent out screening teams of auditors, and as these things went into combat we assumed our proportion, and it was taken out of the $800 million fund.

There will be a good many charges against that fund, Mr. President, before this thing is all over, because so many of these items have not yet been audited and screened. I have no idea what the charges will be. Not even the brightest man in the military knows what they will be. It will probably be some months before they come up with the answer.

That is the whole story with respect to the conference limitation, the amount which is carried in the bill, the fund in Indochina, and how it may still have to be deployed, plus the fact that material which has been shipped may yet be used in Indochina. We are going to try to train many native troops there, and we shall need equipment.

Do not forget that there is a truce line at the narrow waist of Indochina, and below that are the old Vietnamese Province, Cochin China, and the capital city of Saigon. All of those are in South Vietnam. We are hoping we can establish ourselves there, that there will be equipment which can be used, and that we can put equipment in Laos and Cambodia or wherever the pressure points develop.

So this seems to be a very arbitrary cut, particularly when we consider the fact that, after all, this is a deficiency bill. The estimates were much larger than what we finally acted on in the Senate Appropriations Committee.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I trust the amendment will be rejected.

I yield.

Mr. LONG. I refer the Senator to page 6, line 22, where this language is found:

> The unexpended balances appropriated under each paragraph of the Mutual Security Appropriation Act, 1954—

I shall eliminate the parentheses—

> shall be consolidated with the appropriate appropriation made under this act, and shall be available for the same general purpose and for the same period of time as the appropriate appropriation made under this act.

Is that not an appropriation of $9,500,000,000.

Mr. DIRKSEN. No. The money has been appropriated before, and that is nothing more than a consolidation for bookkeeping purposes. There is a bewildering number of accounts. If they were not consolidated, there would be various sets of books running in different directions, and we would have to pile up a huge payroll in order to look after all those accounts.

Mr. LONG. Is it not necessary to reappropriate this $9,500,000,000 that is left on hand from previous appropriation years?

Mr. DIRKSEN. We add all the unobligated balances available, which amount to approximately $2¼ billion, and also the unexpended balances. The important thing about it is the lead time. I discussed that at length this afternoon, and was so concerned that I desired General Stewart, Admiral Radford, Governor Stassen, the Secretary of State, and others who came before the committee to make that abundantly clear. I think the confusion arises from the fact that in other years we always did this on an authorization basis. In this program it was done upon an appropriating basis. It is the only way they can work now if they are going to carry on successful negotiations with so many countries in so many parts of the world, in order to bring them within the security orbit.

Mr. LONG. Mr. President, I should like to say one word about the lead-time argument, because I have heard it used here before.

Senators will recall that in the debate on the Air Force budget, the argument was made for economies in the Air Force budget that Secretary of Defense Wilson had been able to reduce the lead time for the complicated weapons of air warfare—the jet aircraft, those on the drawing board today as well as those to be produced later, and also for complicated electronics instruments. The point was made that the Secretary of Defense had found that, rather than requiring as much as 7 years of lead time, no more than 4 years of lead time was required for the most complicated jet aircraft.

We are delivering very few jet aircraft, and those we are delivering are not of the latest design and require only a short lead time. Most of the articles we are delivering under this program are the least-expensive type, the type used in World War II. Many of those we already have on hand in large surpluses in this country.

That type of weapon does not require long lead time, and in view of the fact that there is already on hand enough money to carry the program for 3 years, if all the lead time needed for the latest jet aircraft is 3 years, certainly when a rifle has been produced for 10 years, with the dies all set up and ready to go, 2 years' lead time is far more than is really needed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK]. On this question the yeas and nays have been ordered.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CASE. Mr. President——

The PRESIDING OFFICER. Will the Senator from Montana withhold the request for a quorum so the Senator from South Dakota may be recognized?

Mr. MANSFIELD. Yes, indeed.

Mr. CASE. I should like to ask a few direct questions, and I should like direct answers.

From an examination of page 19 of the committee report, it is evident that the Senate committee proposes to appropriate $317 million more than the House figure. Fifty-one million dollars of that is apparently new cash, and $266 million is in the form of unobligated balances.

Does that $317 million of additional amounts for military assistance include the $200 million which is to be recovered or which it is hoped may be recovered from inventory values?

Mr. BRIDGES. The answer is "No."

Mr. CASE. In other words, the Senate bill actually proposes approximately $517 million more if the inventory values are recovered?

Mr. BRIDGES. Of course, nobody knows now whether 5 cents worth or $500 million worth will be recovered. The amendment to which the Senator refers is a contingent amendment which operates on the basis of a recovery. If $100 million worth is recovered, that can be added by the FOA for general relief use wherever they may desire to apply it, or if they recover $300 million worth they can use $100 million additional for the Armed Services—the Navy, the Army, the Air Force—which can be used for the general defense of the country. If it were to be used by FOA, then it would be necessary that they pay for it out of the appropriations for the given area or the given country.

Mr. CASE. Does the Senator mean that if they should recover $200 million of these inventory values, and should distribute it under the authorizations permitted by the direct cash appropriations, part of that cash would be used to liquidate that amount, so to speak?

Mr. BRIDGES. No.

Mr. DIRKSEN. It would apply to 1951, 1952, 1953, and 1954 obligations which have not yet been fulfilled.

Mr. CASE. Mr. President, what is the reason for the addition of $300 million over and above the House figure? Particularly why should we make available $266 million of unobligated balances over and above the House figure? That is a quarter of a billion dollars.

Mr. BRIDGES. I will say to the Senator from South Dakota that it is a matter of opinion, but the committee, after hearing all the evidence—a good deal of it in executive session—relative to the international situation in various sections of the world, felt that we could well do it. That was not the unanimous opinion of the committee, but it was the majority opinion of the committee. The Senator from New Hampshire, as chair-

man of the committee, is reporting the majority view of the committee.

Mr. CASE. Did the committee determine that there was an unobligated balance of more than $2½ billion?

Mr. BRIDGES. Some funds were committed, but not obligated. I think the $360 million is included in the $2½ billion.

Mr. CASE. Does the unobligated balance come entirely out of moneys heretofore appropriated for the purpose of foreign military assistance?

Mr. BRIDGES. That is correct.

Mr. DIRKSEN. One of the difficulties in the whole field of unobligated balances is that the House cut back $269 million, I believe, in obligated balances. We made available all the unobligated balances on the ground that they represent programs which have been processed, and in connection with which there may be considerable lead time.

Mr. CASE. The Senator is saying that the figure in the first group, on page 19 of the report, the $2,500,392,283, is the total of the unobligated balances, and the Senate committee proposes to make all of it available.

Mr. DIRKSEN. Yes; that is correct. That is for military assistance.

Mr. CASE. Is that because that was the total amount that was found to be in existence?

Mr. DIRKSEN. Whatever the amount was. It is a shifting amount. I believe one figure that was given us was $2,200,000,000. It was probably in May when we received that figure. Perhaps the actual figure would be about $2,250,000,000.

Mr. CASE. How did the House determine that the figure of $2,207,000,000, instead of the Senate figure of $2,500,000,000, was the correct figure?

Mr. DIRKSEN. I do not know, as a matter of fact.

Mr. CASE. The point is, Was the House figure of $2,207,000,000 of unobligated balances based on need, or was it arrived at because that was found to be the unobligated balance?

Mr. DIRKSEN. Frankly, I do not want to be telling tales out of school, but I remember that on occasions when I was a member of the Committee on Appropriations of the House, after all the testimony was in, we used to say, "Suppose we take a 5-percent or 10-percent cut in it, and then come up with a certain figure." Of course, I do not want to reflect on what the House does.

Mr. CASE. I recognize that that may happen. However, at the same time, $300 million is a very sizable amount. It ought to have been possible to determine whether the unobligated balance was $2,207,000,000 or $2,500,000,000. Apparently the Senate committee decided that the unobligated balances amounted to the larger figure of $2,500,000. If it did, and if the need was determined as the amount shown in the total, why was not the $300 million applied against the total need?

Mr. DIRKSEN. I doubt if it would be material whether the amount was $2,200,000,000 or $2,500,000,000, because the unobligated balances represent the programs that have been laid out and for which that money is to be used. As these programs move into force the amount of the unobligated balance begins to go down. Therefore, we have here a shifting unobligated balance from time to time and $51 millon of new money to account for the $316 million on page 19 of the report.

Mr. CASE. The whole essence of the new look in the military field has been reprogramed, and it occurs to me that if, in the domestic military field, unobligated balances have been reallocated in the reprograming and applied to a different concept of objects that need funds, the same principle is applicable in the field of foreign military assistance. If the Senate Committee on Appropriations was able to find nearly $300 million more in unobligated balances than were apparent when the bill went through the House, the balances could have been properly applied to the new program abroad. The program abroad has been looked at again, too, and it has been reappraised.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. KNOWLAND. The Senator is a very able member of the Subcommittee on Appropriations for Civil Functions. I am sure he is familiar with the fact—I know he has made observations regarding it, as have other members of that subcommittee—that there is a difference between the date when the House acts on an appropriations bill and when the Senate acts on it. When the Senate acts on the bill more current information and later facts and figures are available.

That happens in connection with civil functions appropriations. At first a certain amount of money may be left over on a large project. Later it may be found that a different figure is the true figure. However, as the Senator from New Hampshire and the Senator from Illinois have pointed out, the fact is that these are programs in being. Whether the figure is $100 million or $200 million, more or less, it is a fact that the programs are moving ahead.

It was the unanimous testimony before the committee from those charged with the responsibility for our defense and the working out of a program, that they would be seriously handicapped if the figures as they stood in the House bill were permitted to stand, with the restrictions provided.

Mr. CASE. The Senator from South Dakota has worked on the civil functions bill, and has observed the difference between a committed fund and an obligated fund, and he also served for a number of years as a member of the Committee on Appropriations of the House of Representatives. It has always been my experience that as time went on the unobligated balance decreased. Here the unobligated balance has gone up by $300 million.

If the Senate committee found that there was $300 million more of unobligated funds than existed at the time the House passed the bill, the normal thing to have done would have been to apply the $300 million to the total estimate of the needs and to have reduced the new cash by that amount.

Mr. KNOWLAND. I drew a comparison with the civil functions bill. After all, those appropriations go along under normal, static, peacetime conditions. Here we are dealing with a condition of flux and changeability. Wars have gone on. Cold wars have gone on. There has been increasing Communist pressure. Governments have fallen, and various changes have taken place.

It is entirely possible that it may be necessary to cancel a contract, for example, for project A, because a higher priority exists for project B. Project A would still be programed, but the money might not actually have been contracted. There are varying circumstances. The fact remains that the military and defense authorities have testified they urgently need these moneys, considering the world situation as it is.

Mr. CASE. I recognize the force of the argument that contracts may have to be canceled, but that would be the only way in which the true unobligated balance could increase as time went on, by recovering the freedom of the money that had been obligated.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. DIRKSEN. First of all we must start with the budget figure. The budget figure on unobligated funds was $2,539,000,000. Whether the House found more or less, I do not know. In the language that is stricken on page 2 the House simply stated that not to exceed $2,234,000,000 of unobligated balances may be used.

When we restored all the unobligated balances we accounted for the difference of $265 million, which is seen in the last column on page 19. The House said, "You cannot spend more than that." We sought to place a limit on the unobligated balance. It shows up in the arithmetic in the last column. When we add the new money there is the $316 million which the Senator discussed in the first instance.

SEVERAL SENATORS. Vote! Vote!

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. KENNEDY. Mr. President, I should like to ask the Senator from Illinois [Mr. DIRKSEN] a question or two.

Can the Senator tell me how much the sum was reduced?

Mr. DIRKSEN. Is the Senator speaking about the overall amount?

Mr. KENNEDY. I am speaking about the $800 million.

Mr. DIRKSEN. It is lumped, of course, in one item. There is a $700 million ceiling. I do not have the total figure in mind.

Mr. KENNEDY. Was it reduced at the end of the Indochinese war?

Mr. DIRKSEN. We did not handle it in that way. It is on the basis of titles and chapters. I do not have the figure in mind as to the Indochinese standing amount.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The vote now is to be on the item of $200 million; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mrs. BOWRING], the Senator from Oregon [Mr. CORDON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Nevada [Mr. MALONE], the Senator from Nebraska [Mr. REYNOLDS], and the Senator from New Hampshire [Mr. UPTON] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Ohio [Mr. BRICKER] is absent by leave of the Senate.

On this vote the Senator from Pennsylvania [Mr. DUFF] has a pair with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Pennsylvania [Mr. DUFF] would vote "nay," and the Senator from Nevada [Mr. MALONE] would vote "yea."

The Senator from Idaho [Mr. WELKER] has a pair with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Idaho [Mr. WELKER] would vote "yea," and the Senator from Illinois [Mr. DOUGLAS] would vote "nay."

The Senator from Vermont [Mr. FLANDERS] has a pair with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay," and the Senator from Delaware [Mr. FREAR] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Ohio [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Alabama [Mr. SPARKMAN] is necessarily absent.

I announce further than on this vote the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Idaho [Mr. WELKER]. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Idaho would vote "yea."

I announce also that on this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Vermont would vote "nay."

I announce that if present and voting, the Senator from Virginia [Mr. BYRD], and the Senator from West Virginia [Mr. NEELY] would vote "yea."

The result was announced—yeas 41, nays 34, as follows:

YEAS—41

Anderson	Holland	McClellan
Barrett	Jackson	Monroney
Case	Jenner	Mundt
Chavez	Johnson, Colo.	Murray
Clements	Johnson, Tex.	Potter
Daniel	Johnston, S. C.	Russell
Dworshak	Kennedy	Schoeppel
Ellender	Kerr	Smathers
Ervin	Langer	Stennis
George	Lennon	Symington
Goldwater	Long	Watkins
Gore	Magnuson	Williams
Green	Mansfield	Young
Hill	Maybank	

NAYS—34

Aiken	Hayden	Millikin
Beall	Hendrickson	Morse
Bennett	Hennings	Payne
Bridges	Hickenlooper	Purtell
Bush	Humphrey	Robertson
Butler	Ives	Saltonstall
Carlson	Knowland	Smith, Maine
Cooper	Kuchel	Smith, N. J.
Crippa	Lehman	Thye
Dirksen	Martin	Wiley
Ferguson	McCarran	
Fulbright	McCarthy	

NOT VOTING—21

Bowring	Duff	Malone
Bricker	Eastland	Neely
Burke	Flanders	Pastore
Byrd	Frear	Reynolds
Capehart	Gillette	Sparkman
Cordon	Kefauver	Upton
Douglas	Kilgore	Welker

So Mr. MAYBANK's amendment was agreed to.

Mr. MAYBANK. Mr. President, I move that the vote by which my amendment was agreed to be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from South Carolina.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DWORSHAK. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The Clerk will state the amendment.

The CHIEF CLERK. On page 3 it is proposed to strike out all of lines 15 and 16.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. DWORSHAK. Mr. President, I shall endeavor to make my explanation of the amendment very brief. The Senate committee had already adopted an amendment as follows:

Production for forces support: For assistance authorized by section 122, $35 million.

I call attention to the fact that during the fiscal year 1954, according to a report prepared and submitted by the staff of the Committee on Appropriations, the amended British aircraft program for fiscal 1954, including commodity support attributed to the overall defense effort in general and the aircraft program in particular is as follows:

Commodity aid under section 541 of the Mutual Security Act, $55 milion.

Military air program allocations under section 552 of Mutual Security Act, $14 million.

Special aircraft program, $85 million.

Offshore procurement, $103 million.

Total, $257 million.

In the item for general military assistance there is earmarked $162 million, less the pro rata cut on the amendment which has just been adopted, which I presume will bring the amount to about $150 million. This is earmarked for the United Kingdom, for general military assistance. Undoubtedly it includes money for the development of aircraft, along with other material and equipment.

On a number of occasions I have called attention to one of the serious results of our foreign-aid programs. I refer to the questionable economic practice of financing foreign competition with our own industry.

One of the glaring examples of the results of this practice is our own mining industry. We have seen how cheap-labor imports of materials from countries whose mines we modernized and expanded through our grants-in-aid have forced our own mines to curtail operations or to shut down completely. I have pointed out time and again that our national security is being endangered when we are being forced to rely on uncertain foreign sources of supply for our imported minerals.

During the past week a story published in the Washington Post and Times Herald points up the results of our failure to control more rigidly the appropriations and the manner in which our foreign-assistance programs are handled. This dispatch reports that Capital Air Lines has bought 37 more British-made turbo-prop passenger planes. With the three planes this airline had previously ordered, the total is raised to 40.

This is another case in which we have financed the construction of an economic guillotine for ourselves. It simply does not make sense to use our foreign aid to build up subsidized and nationalized industries in other countries to the detriment of strategic industries in the United States; and there is no more strategic industry in the United States at this time than our aircraft industry.

American commercial aircraft have been the best in the world for years—and they still are. They are used not only by our own operators, but also by most of the airlines of the world.

The British have sought this market, and I have no quarrel with that. But I think it is outrageous to finance this competition, even indirectly.

An investigation has been made by staff members of the Senate Committee on Appropriations into appropriations for the support of the Royal Air Force. A summary of the report shows the following:

First. The effect of the support which we are now giving the Royal Air Force is to enable the British Government to subsidize the development of commercial jet transports, both passenger and cargo, to compete with our own aircraft industry and international airlines. The sale of the 40 British turbo-prop planes to Capital Airlines makes it apparent that competition is already being felt by American plane and engine builders.

Second. During the calendar year 1953, the British Parliament reduced the national income-tax rate. In our fiscal year 1954 the British Government added to the subsidization of commercial jet aviation, but at the same time solicited and received from the United States in grant aid almost $300 million to assist in financing certain British aircraft contributions to the NATO air command and the procurement of aircraft for the British Royal Air Force.

Third. Several of the British planes which we are financing under the Royal Air Force modernization plan are unproved and still in the experimental state. It is a matter of common knowledge throughout the aircraft industry that all the fighters included in the plan are incapable of transonic or supersonic speed at level flight, and such has been the delay in their development and production that there seems to be no doubt that they wil be obsolescent by the time they are all delivered to frontline squadrons.

Fourth. The appropriation we are being asked to vote is not true military aid. In reality it is additional economic assistance to the United Kingdom in the form of budget support. All the evidence indicates that the financial gap in the Royal Air Force modernization program which the United States is being asked to meet is essentially a fiscal matter. It represents the alleged overall shortfall in necessary British funds, and in its inception did not identify specific planes for specific purposes. The record also shows very clearly that in the appropriations for the United Kingdom in fiscal year 1954 it was the intent of the Congress to limit economic assistance to the United Kingdom to a maximum of $20 million. Do we propose to increase this by more than 10 times in fiscal year 1955?

Fifth. If the British can afford massive subsidies for the development of new civil jet transports, they do not need this additional economic aid to carry through their plan for the modernization of the Royal Air Force and compliance with their responsibilities to NATO.

Sixth. If it is determined as a matter of high policy that we should furnish fighter aircraft to the Royal Air Force, there is a better way of doing it with greater benefit to the United States, and to our aircraft industry, than by financing the production of untried British planes that in any event will so soon be second-rate.

Mr. President, that completes the summarization of the staff report.

I should now like to call attention briefly to an article which appeared in the August 16, 1954, issue of Time magazine, at page 90:

> Britain last week rolled out its first truly supersonic jet. * * * At the news, most of Britain's newspapers went all out, claimed speeds of 1,000 miles per hour or better. Streamered the Daily Mail: "Fastest Yet—and British." But some, remembering how few of Britain's shiny prototypes ever see squadron service, were less enthusiastic. Said the Manchester Guardian: "The (Hawker) Hunter and the (Supermarine) Swift, according to Government statements 2 years ago, were going to be 'the finest day fighters in the world.' * * * But by midsummer of 1954, only a few Hunters had reached squadrons, and the Swifts were all grounded because of technical troubles. By the time (the P–1) comes into general service, if it ever does, it, too, may be behind the best * * * the RAF would do better to concentrate on fewer machines and get them into service faster.

It is my contention that if the British can afford massive subsidies for the development of new civil jet transports, they do not need this additional economic aid to carry through their plan for the modernization of the Royal Air Force. As a matter of fact, if we eliminate this appropriation, the Royal Air Force will not abandon its program. It will recognize self-interest, and go right ahead with it. This is one of the places where we can lift some of the burden from the backs of the American taxpayers.

Mr. President, when this program was called to the attention of Governor Stassen, head of FOA, during the hearings, he said he knew nothing about the program, and had not read the report of the committee and its staff. It is almost incredible that the Director of FOA would confess that he had no knowledge concerning the indirect appropriation, and the allotment of almost $200 million in the past fiscal year, to enable Britain to develop her commercial aircraft industry.

I believe in cooperation with Britain, and I sincerely hope the United Kingdom will be successful in developing both her commercial and her military aircraft. But, at the same time, I think we should realize to what extent we are spending these billions of dollars abroad to help countries which have a very small national debt as compared with ours—countries which are willing to cooperate primarily because they receive these financial handouts.

I think with respect to this item, which was not included in the House appropriation bill, we should recognize that there will be probably $152 million made available for the military defense program of the United Kingdom in other categories; and there are several of those covered within the pages of this bill.

I appeal for support of my amendment, which would eliminate the item of $35 million allocated for the production for forces support.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield to the Senator from South Carolina.

Mr. MAYBANK. As a member of the committee on this side of the aisle, I wish to say that the Senator from Idaho is eminently correct.

Mr. DWORSHAK. I thank the Senator from South Carolina, who was present during the hearings. When we asked several representatives of FOA about this item, there was a complete lack of authentic and accurate information justifying this particular program.

Mr. MAYBANK. The Senator from Idaho is eminently correct.

Mr. DIRKSEN. Mr. President, I must correct my good friend, the Senator from Idaho. Governor Stassen testified at considerable length on this program, and showed a very great familiarity with every aspect of it.

This is not an involved matter at all. There have been two programs in progress in order to build up the Royal Air Force, and at the same time get some benefits for the NATO line of defense. There is involved in the program an arrangement between our Air Force and the Royal Air Force, which has nothing to do with the pending bill. There is in this bill, however, an item of $35 million for the building of airplanes in Great Britain to be used as frontline fighters in Europe. General Gruenther testified at great length on the point, and he is extremely anxious about it.

When the estimate first came before the committee, it was for $77 million. Later it was reduced to $70 million. When the conferees finished the authorization bill, they provided a ceiling of not to exceed $35 million.

The $35 million the Senator from Idaho proposes to strike out is made up entirely in the form of surplus commodities. It is proposed to send those commodities to the United Kingdom. The British will then use their own currency. They will use sterling for the purpose of raising their air force budget over and above what they planned in the first instance, and they will be doing it specifically at the request of the Amercan military authorities. The Canberras, the Swifts, the Hawker-Hunters, and other planes may have had some defects in them several years ago, but it was testified that those planes were now proven. Certainly General Gruenther testified he wants these planes as front-line fighters. We are expected to spend $35 million in surplus commodities, and in return the British budget will be increased by that amount for the building and the acquisition of airplanes for use on the NATO line in Europe.

What is the alternative? We can build those airplanes here and send them, along with our own pilots, to Britain. As between the two alternatives, I would prefer that the airplanes be built over there, using agricultural commodities as sort of counterfunds, and let them supply their own pilots. It will ease the burden upon this country that much.

If it is going to be argued that this is a subsidy to the British aircraft industry, I suppose that general line could be spelled out on nearly every item one may encounter in the bill, on the theory that if that amount of money should be

made available to he British budget, they would be able to release funds and use them for British aircraft.

The fact of the matter is that our military authorities want these planes, and they see an opportunity both to put them on the NATO frontline and at the same time get rid of $35 million worth of our surplus commodities.

Mr. President, the amendment ought to be rejected.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, before some of the Senators leave, I should like to make a statement. I have had a number of requests as to the program for the rest of the day and for Monday. As soon as action on the final passage of the bill has been completed, I do not plan to ask for a night session tonight. The Senate then, under its prior order, will stand in recess until 10 o'clock Monday morning. The Senate will remain in session in order that Senators may request matters to be printed in the RECORD.

Awaiting action are a number of House amendments to Senate bills, and the concurrence of the Senate in those amendments is requested. Immediately following final action on the pending appropriation bill, we plan to call up those measures for vote. Other than that, there will be no other voting tonight.

On Monday—and again I call this to the attention of the Senator from North Dakota, although I have discussed it with him privately—we shall have the three contempt citations: Calendar No. 1827, Senate Resolution 280; Calendar No. 1828, Senate Resolution 282; and Calendar No. 1829, Senate Resolution 281; they will be ready for action on Monday.

But at 10 o'clock on Monday, when the Senate convenes, we shall have a call of the calendar, beginning at the end of the last calendar call. However, following that, we shall have a call of the bills at the beginning of the calendar, and shall go through them. That will be the first order of business on Monday. Then we shall be able to see which measures are passed during the call of the calendar, and which ones remain to be acted on.

Thereafter, on Monday, we shall consider the contempt-citation resolutions.

Then we shall have two more of the anti-Communist bills: Calendar No. 1834, Senate bill 3428, the defense facilities bill; and Calendar No. 1833, House bill 9580, the espionage bill.

Then we shall take up Calendar 2261, Senate bill 2631, to prohibit the payment of governmental retirement benefits to persons convicted of certain offenses—including the Alger Hiss matter.

That will be followed by Calendar 2223, House bill 7130, the citizenship bill. I think those bills will fairly well fill our program on Monday.

On Tuesday, I hope we shall have the conference report on the supplemental appropriations bill, the conference report on the farm bill, and the conference report on the atomic energy bill.

If we are fortunate in each instance—which I cannot guarantee, of course, although I have hopes that we shall be, and that at least 2 out of 3 of those conference reports will be ready for action on Tuesday——

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. If the distinguished majority leader gets through early on Monday with his program for that day, and if he then is looking for another bill to have the Senate take up, I wonder whether it will be possible to have the Senate consider at that time the railroad retirement bill.

Mr. KNOWLAND. There is some indication that possibly that measure might pass during the call of the calendar, or that perhaps over the weekend an area of agreement might be found for some amendments which might be offered during the call of the calendar, and that the amendments might be accepted by both sides, and thus we might solve the problem. But that I do not know.

Mr. JOHNSON of Texas. Assuming that does not happen, then, after the call of the calendar is completed, if it did not appear that consideration of the railroad retirement bill would involve too much opposition, could not the bill be taken up at that time?

Mr. KNOWLAND. It is one of the bills we have under consideration. There are, of course, others, including the unemployment reserves bill.

Let me assure the distinguished minority leader that there is no attempt on my part to avoid taking up the railroad retirement bill, but we have a great many other important bills to deal with.

Mr. JOHNSON of Texas. I understand that, and I am not trying to press the Senator from California about it. But since he has listed the bills that he might wish to have the Senate take up on Monday, I was hoping he would include in the list to be taken up on Monday, the railroad retirement bill—if it is not passed during the calendar call—so that all Senators would be on notice.

Mr. KNOWLAND. Let me say to the distinguished Senator from Texas that, as I am sure he knows, when the majority leader reaches this point in the session, different persons have different ideas regarding which bills should receive high priority. If the Senator from Texas will bear with me, we shall try to meet this problem, and meet it as early in the week as possible.

If we can complete the calendar call on Monday, I think we may have some pleasant surprises.

Mr. CHAVEZ. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. CHAVEZ. The distinguished senior Senator from Pennsylvania [Mr. MARTIN], the chairman of the Committee on Public Works, several weeks ago reported the omnibus flood-control bill. Congress has not acted on a bill of that type for approximately 4 years. Can the majority leader inform us whether it will be possible to have that bill brought up next week? I am sorry I do not recall the calendar number of the bill.

Mr. KNOWLAND. I think it is on the list before me; it is Calendar No. 2026, House bill 9859, the public works bill. But again I was merely indicating the Monday program, because obviously the measures we can handle on Monday will depend to some extent on the facility and speed with which we are able to handle some of the bills I have already listed.

Last evening, in connection with the social-security bill with the cooperation of the distinguished minority leader—and his cooperation was particularly valuable—and with the cooperation of other Senators, including the distinguished Senator from Oregon [Mr. MORSE], we were able to enter into a unanimous-consent agreement which seemed to work very well; the time was divided, with half an hour being available on each amendment, and with the time on the bill itself divided equally.

So perhaps next week, by means of similar cooperation on the part of Senators on both sides of the aisle, we may be able to achieve excellent progress in the case of many of the other bills, and may be able to move along expeditiously and reach the public-works bill and a number of the other bills which have been mentioned. That will certainly be my objective, and I shall seek to achieve it. I know I shall receive from Senators on the other side of the aisle the cooperation we have been able to have to date.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSTON of South Carolina. What is the plan in regard to action on Calendar No. 2010, House bill 7774, the so-called Government employees' pay bill?

Mr. KNOWLAND. That is another bill which will be included in the calendar call. It is entirely possible that during the calendar call, amendments which might change the situation regarding that measure might be proposed. Again, that is one of the bills in which a considerable amount of interest has been expressed by Senators on both sides of the aisle, and also on the outside, as the distinguished Senator from South Carolina knows.

Mr. JOHNSTON of South Carolina. I ask the question because the last time the question arose, the Senator from California said he would take up the bill with the majority policy committee, and that he would let me know.

Mr. KNOWLAND. That bill and a good many others were mentioned during the discussions today. With the exception of the Monday schedule, we have not finally cleared the other bills, because we thought there would be an opportunity, in the case of a good many of them—and in that connection I may refer to the bill relating to Reserve officers, as well as bills dealing with other subjects—to have some arrangements made over the weekend, and that perhaps certain amendments which would appear to both sides to be reasonable might be suggested, and thus it would be possible for certain of those bills to be passed during the calendar call.

As soon as the calendar call is over, on Monday, another meeting of the majority policy committee has been scheduled; and at that time we can consider the program thereafter.

Mr. JOHNSTON of South Carolina. That bill was called during the last calendar call, and was passed at that time, but subsequently was reconsidered, and was returned to the calendar.

Mr. KNOWLAND. That is correct. But at the time of that calendar call, no amendments to the bill were available or ready.

Mr. SMITH of New Jersey. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. SMITH of New Jersey. Let me inquire about the school-construction bill.

Mr. KNOWLAND. It is on the list of possibilities. But, again, that will depend on the progress we are able to make on the bills that come ahead of it.

We have a great many bills of great importance. I almost hesitate to name some, for fear that would seem to indicate that they would have priority over others. In this connection, I might refer to the Colorado River bill, the bill dealing with the Missouri Basin, and bills dealing with compacts between States in connection with such matters. There are many other bills that are important to particular regions, particular areas, or particular Senators. We are trying to do the best we can with the problems which confront us.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield again to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I should like to make a suggestion to the majority leader. I believe it would be helpful if he and the majority policy committee would prepare a list of the bills which they are anxious to have acted on before the time of adjournment arrives, and then would give me an opportunity to review those bills with the Members on this side of the aisle—in the hope that perhaps we could reach agreement on a time limit on debate on all the so-called must bills.

Mr. KNOWLAND. I do not like to use the word "must" as applied to bills, but rather "priority legislation."

Mr. JOHNSON of Texas. I am using the word "must" bills. If the majority leader feels they must be taken up and we must be subjected to voting on them, it is a "must," so far as I am concerned. If the Senator can give us a list of the bills which he plans to bring up, I think we can reach some agreement as to time. There may be some bills as to which Members on this side would not make an agreement, but on many of them I am sure we could do as we did on the social security bill and save time, enabling us to recess at the earliest possible date.

APPROPRIATIONS FOR MUTUAL SECURITY

The Senate resumed the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the——

Mr. DWORSHAK. Mr. President, I do not want to let go unchallenged the statement of the Senator from Illinois that the purpose of this amendment, the deletion of these funds, is to force the production of NATO military planes in this country instead of in Britain. The purpose of the Senator from Idaho is to seek the continued cooperation of the United Kingdom in making available some of the military planes, but to do so at the expense of that country instead of our being expected to furnish the funds for construction of military planes so that Britain may divert other funds to subsidize its commercial aircraft industry. I want the record to show that, because I have no desire whatsoever to force the discontinuance of the construction of military planes for NATO by the United Kingdom.

Mr. HAYDEN. Mr. President, I should like to be heard in opposition to the amendment offered by the Senator from Idaho. My remarks are addressed particularly to Senators who are interested in the disposal of surplus agricultural commodities.

I read from the testimony of Mr. Stassen, page 122 of the hearings:

> We are doing another interesting thing. You are correct as to our emphasis on the RAF. In other words, we feel that the RAF is a force of proven elite fighters. They are the third best air force in the world from the standpoint of power. With all of our bases around there, we want a powerful RAF for United States security reasons. We are helping to build the RAF and we are doing it in an interesting way.
>
> We are using United States agricultural products. In other words, in this program we are asking for another $75 million to back the RAF, and we propose to do it not with dollars, but by shipping them $75 million more of agricultural products which they, having taken off rationing, consulted their own people, picked up their own pound sterling for the food, put the money behind the RAF.
>
> I really feel it is a method of working out a strengthened defense program with the United States asset.
>
> Senator THYE. May I have information of what type of agricultural commodities will be made available?
>
> Mr. STASSEN. It will be meat and butter and cottonseed oil and cotton and wheat, maybe some corn.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho [Mr. DWORSHAK]. [Putting the question.]

Mr. MCCARTHY. Mr. President——

Mr. DWORSHAK. Mr. President, I request a division.

Mr. MCCARTHY. Mr. President, I was asking for recognition.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin has sought recognition, and the Chair recognizes him.

Mr. MAYBANK. Mr. President, will the Senator from Wisconsin yield?

Mr. MCCARTHY. I am glad to yield.

Mr. MAYBANK. I understood the Senator from Idaho [Mr. DWORSHAK] to ask for a division, and I am wondering if the division will come after the Senator from Wisconsin speaks.

Mr. MCCARTHY. I shall be glad to yield the floor to enable the Senate to vote. However, I have been yielding to Senators for 2 hours. I am a half hour overdue on work which I must do.

Mr. MAYBANK. I can understand, and I appreciate the Senator's yielding to me.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Wisconsin is willing to yield for the purpose of having a vote on the amendment offered by the Senator from Idaho, with the understanding that he will not lose the floor?

Mr. MCCARTHY. I shall be glad to do that. Mr. President, several other Senators have asked me to refrain from the short 5-minute speech I intend to make until they bring up their amendments. I thought I could do that. However, I find that 5 minutes on an amendment generally runs to half an hour, so after yielding for the division, I wish to make a very brief comment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. DWORSHAK]. A division has been requested.

On a division, the amendment was rejected.

Mr. MCCARTHY. Mr. President, I know the Senator from Louisiana [Mr. LONG] has a very important amendment to bring up, and ordinarily I would wait until that amendment had been disposed of before making my remarks. However, I have a few very brief remarks to make before the Senator's amendment comes up. I shall try to keep within 5 minutes.

Mr. President, we are voting money tonight for the prosecution of a war which started 106 years ago. That war was declared in 1848. For the first 69 years of that war very little progress was made by the enemy. The declaration was made by Karl Marx. Not until 1917, when the Kaiser sent seven Communists, headed by Nikolai Lenin, into Russia, did they make much progress. However, in 100 days those 7 Communists headed by Lenin took over a nation of 180 million people.

Very little progress was made until 1945. From 1917 to 1945 the figure remained at 180 million. From 1945 until the first of 1953 the figure increased to 800 million people.

We should keep in mind that the entire world population, according to the latest estimate, is about 2,300,000,000. So 800 million is approaching one-half of the world's population. Nearly one-half the world's population is in chains.

From the first of 1953 until a few weeks ago, again very little progress was made, insofar as numbers of people in chains were concerned, but a few weeks ago we saw an additional 12 million people and a fairly sizable area of the earth's surface in Indochina go behind the Iron Curtain.

The question is, Why are we losing this war? We are paying for it tonight. We are about to vote money for it. Why are

we losing it? It is perhaps because the money is improperly used.

In that connection I invite the attention of the Senate to one of the most unusual orders I have ever heard of during my service in the Senate. When I was campaigning against my Democrat friends, I condemned them for secrecy. If my Republican friends engage in the same type of secrecy, I have no choice but to discuss that, also.

Here is an order dated March 26, 1954. This order is 3 pages long, and I should like to have it inserted in toto in the RECORD at this point.

Mr. MORSE. Mr. President, reserving the right to object, will the Senator from Wisconsin explain to us where the order comes from, and who the author of the order is, and summarize for us its contents?

Mr. McCARTHY. I shall be glad to do so.

The order comes from Mr. Harold Stassen, the head of the organization for which we are voting money tonight. The date is March 26. It provides that when the Presidential secrecy order—the order of Truman, and the order of Mr. Eisenhower—failed to cover a certain situation—in other words, when security matters are not involved—nevertheless the agency can classify something "For official use only," and that will keep the information from the Congress, and from the American people.

Let me read paragraph 6 of this order. It would be unbelievable, almost, except that it is a matter of cold record.

Paragraph 6. Here is the information that Congress cannot get even though we are voting approximately $3 billion for this organization.

6. Information pertaining to administrative, organization, personnel, fiscal or operating policies, procedures and plans where temporary protection prior to firm establishment is in the public interest.

In other words, they say, "We will not give Congress information about personnel, organization, administration, operating policies, procedures, and plans." There is added the clause, as protection, "where it is in the public interest."

The order covers about everything that can be covered.

I hand the order to the Senator from Oregon. He has been a very active critic of secrecy in government, so I think he might be interested in this because of the huge amount of money we are voting for this organization.

Mr. MORSE. Of course, as the Senator knows, as a matter of courtesy I would not object to have any Senator offering at any time what in his judgment ought to be put into the RECORD. I hope the Senator understands that.

Mr. McCARTHY. I understand that.

Mr. MORSE. I should like, however, to ask a question or two about this document.

Am I to understand that it is the position of the Senator from Wisconsin that Mr. Stassen, under the heading of "Procedures for the Protection of Certain Non-defense Information, a Foreign Operations Administration manual," is seeking to keep from the Congress, and I assume from the press——

Mr. McCARTHY. Correct——

Mr. MORSE. Information about the operation of this public agency of Government which is not classified information?

Mr. McCARTHY. Let me put it this way: I take the position we have been losing this war over the past number of years even though we have been voting whatever has been asked. The question is, why? I feel it is because the money is improperly spent. Now we suddenly find a new order telling us we can have no knowledge of how it is spent.

I feel we should not vote money for an organization which has been failing so miserably and which now says "Congress cannot know anything about our organization. We will take the money. We will keep everything secret."

I think that is ten times important, in view of the constant reports we get on incompetence, overstaffing, and the type of debris which there is in some of the FOA offices. I may say, in fairness to some of the individuals in FOA, I think there are some outstanding people who are even more disturbed than I am about this secrecy, incompetence, and debris piling up in the FOA.

Mr. MORSE. May I ask one more question as a matter of reservation, and then I shall not object.

Am I to understand what the Senator from Wisconsin alleges with respect to the document is that it is an example of Government by secrecy in FOA, operated by Mr. Stassen?

Mr. McCARTHY. Correct. And this is just the beginning, I am afraid. We are heading more and more toward complete secrecy in government.

For a while we had secrecy under the guise that it involved security. Here we have the head of an organization with no Presidential authority—I am sure Mr. Eisenhower does not know about this—but by fiat, issuing an order.

Mr. MORSE. I have no objection.

The PRESIDING OFFICER (Mr. CASE in the chair). Is there objection?

Mr. FULBRIGHT. Reserving the right to object—And I shall not object—I wish to make one observation.

I believe this matter was brought up in a conversation with Mr. Stassen before the committee. It is my understanding that this order related only to that period when the reorganization was being considered, and that Mr. Stassen did not intend it to apply permanently, after they had decided on various matters that were in process. I believe I recall his telling me and other members of the committee that the manual was not intended to do anything other than to stop the leaks out of his organization, pending a final decision on matters which he was considering in the reorganization of his agency.

I do not wish to get into a big argument defending Mr. Stassen and the FOA, although I think he has done a good job in cutting down personnel. He certainly has done so with regard to the personnel abroad, and that matter is covered in the hearings before our committee.

By and large, I would say Mr. Stassen has done a very good job in reorganizing his agency. I never was conscious of being deprived of any information with respect to the operations of the agency.

Mr. McCARTHY. May I point out to the Senator from Arkansas that he is completely, 100 percent in error? He has, I am sure, inadvertently misstated the facts. If he would care to have the written record, at which time Mr. Stassen was asked about it, I have it. He may have it.

I think the Senator from Arkansas should go over this record and inform the Senate that he was in error. As I say, I feel sure that the Senator was inadvertently in error. I am sure he would not even remotely misstate the subject.

Mr. DIRKSEN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Illinois reserves the right to object.

Mr. McCARTHY. Does the Senator want the record?

Mr. DIRKSEN. I have the record. All I know is what I read in the record. On page 45, when the colloquy was going on, I was presiding in the committee, and Mr. Stassen had this to say:

It is not a classified document. It is a general manual that was distributed worldwide in all executive branch agencies.

Then, when Mr. Stassen referred to the distinguished Senator from Wisconsin, he said, "He can get a thousand of them if he wishes them," meaning copies of the manual.

There is one other thing. The record of personnel is in the hearings. Anybody who wants to read it will find it there.

Mr. Stassen, I must say, was responsive to every question that was asked. I thought he was an excellent witness. I saw no inhibitions. I saw no withholding of data. So I am a little distressed to be forced to disagree with my friend from Wisconsin; but I know what the record is, Mr. President.

Mr. McCARTHY. Will the Senator yield to me?

Mr. DIRKSEN. I yield.

Mr. McCARTHY. May I say to the Senator from Illinois, despite the deep respect I have for his ability, I am afraid he is in error. The senior Senator from New Hampshire ordered Mr. Stassen to give the committee a list of the materials which our allies were shipping to Communist bloc nations, but which we would not allow American citizens to ship to those nations. In other words, the Senator from New Hampshire requested a list of things we considered strategic but which other countries did not bar from shipment to communistic bloc nations.

Mr. Stassen promised that he would have that information—I believe the record will show—the following morning, or thereabouts. That is quite a few mornings ago.

The only letter he wrote on the subject was dated July 22, in which he talks about tractors and industrial diamonds. I had pointed out to Mr. Stassen that the United Kingdom was shipping to Russia enough industrial diamonds to enable Russia to have a stockpile which would last for 20 years, and that if Rus-

sia did not have those industrial diamonds she could not wage war, because her machine-tool industry would die overnight. Not only did Mr. Stassen fail to give us the list of materials, but he made this statement:

Industrial diamonds are on the international embargo list as well as the Battle Act embargo list. They are, of course, one of the items on which the most active smuggling attempts are made.

He does not say so in so many words, but the inference is that diamonds, which are necessary to the Communist nations' war efforts, were smuggled into Russia. He is not telling the truth. He knows he is not telling the truth. He knows that the United Kingdom, Great Britain, allowed and sponsored the shipment of industrial diamonds to Russia over the past number of years, so that Russia now has a stockpile which will enable her to wage war.

Mr. HAYDEN. Mr. President, reserving the right to object——

Mr. McCARTHY. I am not through. I have not yielded.

I mention this to the Senator from Illinois [Mr. DIRKSEN] in view of his statement that he thought Mr. Stassen was a truthful, forthright witness. No. 1, he said, "I will give you tomorrow morning"—he may not have said "tomorrow morning," he may have said "or thereabouts"; but I believe he said "tomorrow morning"—"a list of materials that our allies"—the ones we are giving money to tonight—"are shipping to the Communist-bloc nations." He said he could give us that information. Up until this morning he has not done so.

I may say, with reference to industrial diamonds, that the record is clear that it is not a case of smuggling any more than the rubber going into Communist-bloc nations is smuggled.

The Senator from Illinois talked about the forthrightness of Mr. Stassen. He was asked about the shipment of materials to Indochina. I cannot find the quotation at the moment, but the Senator will recall that he said, in effect, that not much additional was being shipped. I do not have the date, but, anyway, a few days later, after he was before our committee, he did not say in so many words that we were increasing the allowance to our friends so that they could ship more materials to Communist-bloc nations, but, a short time after he testified we have a story emanating from his department, as follows:

In Greece, what we have agreed to is that as from August 16—

And he testified after August 16, I believe—

the present embargo list will be reduced one-third, from about 250 to 170 items, and the quantitative control list very drastically cut from 90 to 20.

I invite the Senator's attention to the fact that none of this information was given to the Appropriations Committee. Mr. Stassen had it at the time. He knew we were looking for the information. So I say to the very able Senator from Illinois that when he says Stassen was an honorable man and was telling us all the facts, Mr. Stassen apparently had an extremely bad memory, one of the worst of which I have ever heard.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Reserving the right to object, Mr. President, I may say to my friend from Wisconsin, and I do not mean to be unkind, that I was in attendance at the hearing every day, every hour, every minute when there was any testimony going on, and on the basis of dealing with all the witnesses over that period of time I must reaffirm my statement that Governor Stassen was a forthright and a complete witness. I would do him a disservice if I said otherwise.

I think he said in the hearing that it would be necessary to confer with the Department of Commerce. I am sure there is money in this bill for personnel with reference to the whole control procedure relating to the shipment of strategic and critical materials going behind the Iron Curtain.

Finally, there is a letter of July 22 in which he sets forth in some detail the quantities for a period of 2 years. That information was adequate, I think for the members of the committee, and, being a member of the committee, I was sure when we had Governor Stassen before us some time ago when there was testimony on East-West trade and trade between the free world and the Soviet nation and the Soviet satellites, that he was very cooperative.

Mr. McCARTHY. Mr. President, the statement which Mr. Stassen made appears on page 50.

Mr. HAYDEN. Mr. President, reserving the right to object, I should like to point out some testimony appearing at page 50 of the hearings, which I read:

Senator McCARTHY. Let me ask you this, Governor. Is there any reason why this committee, which is being asked to appropriate billions of dollars, should not know what our allies are shipping to the enemy?

Mr. STASSEN. The committee can have any information they wish in our entire organization. That has always been our rule.

Senator McCARTHY. If the Chair orders or requests it, will you give that list?

Mr. STASSEN. Certainly.

Senator McCARTHY. In other words, we can now get the list. Mr. Reporter, will you make sure we have this accurate? We now can get from your department a list of the materials which we carry as strategic war materials, but which the allies, who are being financed by us, are still shipping to Communist bloc nations?

Mr. STASSEN. Senator, you shifted the question in your usual manner. There are no such items.

Mr. President, there is one other item which I think should be brought to the attention of the Senate in connection with the document which the Senator from Oregon [Mr. MORSE] has in his hand. I read from page 44 of the hearings:

One of the things designed "For official use only," information pertaining to administrative, organization, personnel, fiscal or operating policies, procedures, and plans where temporary protection prior to firm establishment is in the public interest.

In other words, there is a prohibition against giving the committee information during the course of negotiations——

Mr. McCARTHY. Mr. President, the Senator said I misstated the RECORD. Does the Senator claim I incorrectly read it?

Mr. HAYDEN. Yes.

Mr. McCARTHY. Mr. President, in fairness to me I think we should have the Official Reporter read back exactly what I quoted. In fairness to the Senate, and in view of the fact that the Senator said I misstated that paragraph, I think the Official Reporter should read exactly what I said.

The PRESIDING OFFICER. Is there objection to the Official Reporter reading what was said?

Mr. HAYDEN. Reserving the right to object—I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the official reporter reading what the Senator from Wisconsin said?

Mr. McCARTHY. Mr. President, the Senator from Arizona made a rather serious intimation.

The PRESIDING OFFICER. While the Official Reporter who took the notes is being sent for, the Chair will inquire if there is any objection to the request of the Senator from Wisconsin that certain documents be placed in the RECORD.

Mr. MORSE. I am reserving the right to object. I have 2 or 3 questions.

Mr. McCARTHY. I ask unanimous consent that we proceed.

The PRESIDING OFFICER. Is there objection to proceeding by recognizing the Senator from Oregon for the purpose of asking the Senator from Wisconsin some questions?

Mr. LONG. Mr. President, would this not be a good time to bring up my amendment? [Laughter.]

The PRESIDING OFFICER. The Chair cannot permit that at this time.

Mr. MORSE. Mr. President, I am saying this for the benefit of the Senator from Illinois [Mr. DIRKSEN], because I think that in his reply to the Senator from Wisconsin he made the argument that this document is not a classified document and was not offered by Mr. Stassen as a classified document. It is not my understanding that the Senator from Wisconsin contends it is a classified document.

Mr. McCARTHY. No.

Mr. MORSE. I think the Senator from Illinois merely misunderstood the Senator from Wisconsin. I understand that what the Senator is criticizing is that, in his opinion, Mr. Stassen issued a set of instructions to be binding upon his staff relative to procedures for the protection of certain defense information which he labels information for official use only, and by laying down these rules or regulations he, in effect, sets up a pattern of government by secrecy.

Mr. McCARTHY. That is 100-percent correct, and I am disturbed by it, because it may prove to be a pattern. If Mr. Stassen can do that when he is administering some $3 billion, another department can do the same.

Mr. MORSE. The Senator from Arkansas [Mr. FULBRIGHT] stated that in his testimony Mr. Stassen assured the committee that this document was to be applicable only for a period of the organization of FOA. I do not know what

the facts are. I have only read the document. But does the Senator from Wisconsin agree with me that there is nothing in the document which says it is to be applicable for only the period of the organization of the FOA?

Mr. McCARTHY. Not only is the Senator from Oregon correct, but the Senator from Arkansas is completely in error. What he stated is completely contrary to the fact.

I have offered to hand him the testimony of Mr. Stassen, so that he could tell me where Mr. Stassen made the statement. The Senator from Arkansas sits in his seat, reading a newspaper. He hears everything I am saying. He knows that if what he has said is true, then he can take the official transcript of the hearings and read to us wherein Mr. Stassen made the statement.

The PRESIDING OFFICER. Is there objection to the request of the junior Senator from Wisconsin that a certain document be printed in the RECORD? The Chair hears none, and it is so ordered.

The document is as follows:

FOREIGN OPERATIONS ADMINISTRATION MANUAL

Subject: Procedures for the protection of certain nondefense information.
Transmittal letter No. General-37.
Effective date, March 26, 1954.

I. POLICY

In accordance with agency policy, it is the responsibility of all employees to protect certain types of nondefense information which are not properly classifiable under Executive Order 10501 and existing security regulations. To accomplish this, such material shall be labeled "Official use only" in accordance with the provisions of this order. However, care shall be exercised whenever the designation "Official use only" is utilized to avoid improper and unnecessary use of this protective device.

II. CHANGE OF DESIGNATION

A. As the occasion demands, all material now designated as Restricted will either be designated as Confidential or higher, if it meets the provisions of Executive Order 10501; be completely declassified; or, if it meets the criteria outlined in III. A., below, designated "Official use only."

III. DEFINITION

A. The designation "Official use only" shall be used on documents which do not require safeguarding in the interest of national defense (Executive Order 10501) but which require protection such as those containing information falling within the following categories:

1. Information obtained from business concerns which FOA is required by law to protect; for example, confidential information on profits and losses and trade secrets (see 18 U. S. C. 1905).

2. Information pertaining to pending suits by or against the United States Government.

3. Information, the disclosure of which might adversely affect negotiations by FOA with nongovernmental institutions, international agencies, private companies, or foreign Governments by affecting prospective contracts, supply, prices, transportation, cost of storage facilities, or the like.

4. Information about pending investigations of allegations concerning employees or companies.

5. Information about an employee or applicant, the indiscriminate distribution of which might result in unwarranted injury to the individual.

6. Information pertaining to administrative, organization, personnel, fiscal, or operating policies, procedures and plans where temporary protection prior to firm establishment is in the public interest.

IV. PREPARATION

A. Persons designated by existing security regulations to classify material are authorized to determine the protection of material under this instruction.

B. Documents designated official use only will be so stamped at the top and bottom of each page of the document. If the document is permanently fastened or bound, the designation will also be stamped or printed on the cover.

C. Rubber stamps bearing the caption "Official Use Only" may be requisitioned through the Supply Section, Administrative Services.

V. STORAGE

A. Information designated "Official use only," except for cablegrams, when not in use shall be stored in a steel cabinet provided with a pushbutton type of locking device, a steel desk provided with a lock or a container of comparable security.

B. Cablegrams designated "Official use only" when not in use shall be stored in a steel lock-bar cabinet or a three-way combination safe.

C. Cablegrams previously designated "Restricted" when not in use shall be stored in the same manner as "Official use only" cablegrams.

VI. TRANSMISSION

A. Information designated "Official use only" may be transmitted in a single envelope through the regular messenger system of FOA or other Government departments, and in a single envelope through the regular United States mail within the continental limits of the United States.

B. Information designated "official use only" being transmitted to overseas missions or posts shall be enclosed in a single envelope which will bear the caption "Official Use Only." This information will be forwarded by Department of State pouch.

C. Occasionally it will be necessary in the interest of speed to send official use only information by cable. Where this method is used, the cable cannot be handled by foreign service local employees. (This rule exists for reasons of code security.) Transmission of official use only material by cable should be avoided and airgrams used in place of cables whenever possible.

VII. RELEASE TO PERSONS OUTSIDE THE EXECUTIVE BRANCH

A. Official use only information may be released upon authorization of an office director, or higher authority, when in his opinion the conditions which justified the original designation, as outlined in III. A. above, no longer prevail.

B. Consideration should be given in determining whether information should be released to the applicability of 18 U. S. C. 1905 (see par. III.A.1. above) and to the possibility that other divisions within FOA or other Federal agencies may be affected by the release. In such cases clearance should be obtained from the other divisions or agencies.

VIII. RULE OF REFERENCE

A. A cablegram making reference to another cablegram designated "Official use only" must be designated "Official use only" unless in the interest of national defense, as specified in Executive Order 10501, the content justifies a greater degree of protection. Note: Reference in this instance is defined as the act of referring by number, symbol, date, or in any way which will reveal the subject matter of a cablegram previously designated as "Official use only."

B. In addition to the designation "Official use only" the United States Department of State will use the designation "limited official use."

C. An FOA cablegram making reference to a Department of State cablegram designated "Limited official use" will be designated "Official use only" unless in the interest of national defense the content justifies a greater degree of protection.

D. With the exception of cablegrams, each document, when required, shall be assigned the designation "Official use only" on the basis of its own content and not according to its relationship to another document.

E. An FOA cablegram making reference to a cablegram previously designated "Restricted" will be designated "Official use only" unless in the interest of national defense the content justifies a greater degree of protection.

IX. DESTRUCTION

A. Nonrecord official use only material will be destroyed in the same manner provided for in section 10 of the security regulations for the destruction of classified material. A record of the destruction of such material is not required.

X. ACCESS BY FOREIGN SERVICE LOCAL EMPLOYEES

A. Foreign Service local employees may have access to official use only documents, except cables, when in the judgment of the principal officers such access is required in the performance of their duty and would not endanger the orderly operation of the agency.

The PRESIDING OFFICER. A request by the junior Senator from Wisconsin is pending, which was set aside by unanimous consent until the Official Reporter might return to the Chamber. Is it the desire of the Senator from Wisconsin to proceed?

Mr. McCARTHY. I will proceed until the Official Reporter returns and reads the paragraph to which the Senator from Arizona [Mr. HAYDEN] referred.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. LONG. Mr. President, has the Senator from Wisconsin completed his speech?

Mr. McCARTHY. I shall have finished in a few minutes. When I began, I said I would speak for 5 minutes; but that was about 20 minutes ago. I shall finish in about 5 minutes.

Mr. President, when we vote for this aid; when we read that other strategic materials, including rubber and industrial diamonds are being reduced in number from 250 to 170 for other nations, but not for the United States merchants—and we should remember that our businessmen cannot ship those materials to the Communist bloc nations, although our allies can—we should recall that an Army communique of September 10, of last year, said there were more than 900 young men who were, as of that date, prisoners of war, or rather who were known to have been living and were prisoners of war, unaccounted for, as to whom our Army rightfully asked for an accounting. There was the usual nose thumbing insult on the part of the enemy. Two days later, I believe it was, as Senators may recall, on September 12, Red China announced that she had 32 airmen who were shot down over Manchuria, and that she would treat them as prisoners of war.

The figure of 900 has been revised downward, but not the figure of 32.

So as of tonight, August 14, 1954, when we are voting billions of dollars to our allies, who in turn are shipping materials to the Communist bloc of nations and

to Red China—tonight, at 5 minutes of 7, on the 14th of August, 1954, we know there are in Communist blood-stained dungeons, being brain-washed, American young men, not missing-in-action cases, but young men who are known to have been living prisoners of the enemy. At the same time, the Senate, with no restrictions being placed upon our so-called allies, will vote untold millions of dollars for foreign aid. Unless our allies will work with us, this will be a great waste of money.

I know that what I am arguing tonight is a lost cause. I know the Senate will vote the funds. I know that our allies will get the money. I know they will continue to ship the sinews of economic and military strength to our enemy.

But I felt I had to take a few minutes of the time of the Senate tonight to make the record clear.

Before I resume my seat, may I ask the very able chairman of the Committee on Appropriations whether I am correct in my statement that Mr. Stassen, the head of the Foreign Operations Administration, promised the committee that he would supply the committee with a list of the items which the merchants of the United States cannot ship to the enemy, but which our friends can ship to the enemy? Mr. Stassen, as I recall, promised that he would furnish such a list. Is it correct that as of this time no information has been received, except the letter of July 22, which deals with diamonds and tractors, a letter which I should like to have placed in the RECORD? Is that substantially correct?

Mr. BRIDGES. The Senator from Wisconsin is correct in that as of today the Committee on Appropriations has not received from Administrator Stassen the list of strategic materials which was requested, and which he was directed to furnish to the committee.

Mr. McCARTHY. I thank the Senator from New Hampshire.

Mr. President, there is much more I should have liked to say about the matter, but this is Saturday night, and the hour is growing late. Many Senators have important engagements, and important amendments are pending. Unfortunately, I shall have to leave the Senate floor. But I desire to be recorded in favor of any amendment which will reduce the funds for Mr. Stassen's organization. I want to be recorded as being against the entire bill when the time arrives for a final vote, because I believe the Senate simply cannot, in good conscience, vote money for allies who, in turn, are helping the enemy. I feel that we cannot, in good conscience, ever send an American boy in uniform to war in a foreign land, if we allow our uniformed men as of tonight to be brain washed and tortured in enemy dungeons.

The time will come when we shall have to regain our national honor. The time will come when we shall have to say to every uniformed American young man, "You pack the entire power and honor of this Nation on your shoulders; and if a 'brutalitarian' steps in and puts his hobnail boots upon your neck, this entire Nation of 160 million will make that 'brutalitarian' regret his action for all time to come."

I have heard some of my colleagues in the Senate speak about the loss of morale in the Army because an effort was made to get a general to tell the truth.

May I ask those Senators—some of them are absent tonight—should they not save their tears for the uniformed men who, as of tonight, are in the Communist prisons? How can we hope for morale in the military forces if we abandon our uniformed men, as we are doing; when we are not only abandoning them tonight in Chinese Communist dungeons, but at the same time are voting billions of dollars for allies who are supplying the enemy with the sinews of war?

Mr. HAYDEN. Mr. President, with respect to the statement I made with reference to paragraph No. 6, I understood the Senator from Wisconsin, when he read it, to have omitted the words "temporary protection prior to firm establishment in the public interest." I have been informed that the Official Reporter has the quotation in his notes in its proper form. Under the circumstances, I was mistaken.

The PRESIDING OFFICER. Without objection, the request of the Senator from Wisconsin that certain minutes of the reporter be read will be vacated.

The bill is open to further amendment.

Mr. LONG. Mr. President, I call up my amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3 line 14, in lieu of "$700,000,000" it is proposed to insert "$500,000,000."

Mr. LONG. Mr. President, my amendment proposes to reduce by $200,000,000 the amount of money originally planned to be spent in Indochina. The administration has wisely decided that the money will not be spent in Indochina. The defeat of the French forces means that there will be an election there. There is very poor prospect that the democratic side will win the election. In fact, there is all indication that they will go Communist. I hold in my hand an Associated Press dispatch from Paris, which I now read:

> Despite the Indochinese armistice agreements, all of Vietnam seems to be slipping into control of the Communists.
>
> The Vietnamese Army, organized by the French during the past 2 or 3 years, is slowly melting away into the rice paddles. Communist-led Viet Minh civic committees are active in the south as well as the north, propagandizing the Red cause.
>
> This type of information has come to Paris through diplomatic channels and through letters from correspondents on the spot which seem to escape censorship. News cables, both from Hanoi in the north and Saigon in the south, are either stopped or so badly censored that correspondents find it almost useless to file stories.
>
> Within 24 hours of the cease-fire in the delta, Communist-controlled committees took over the government in the major part of the 7,000 villages and towns.
>
> Dispatches to the Paris newspapers, France-Soir and Le Monde, received by mail, told the same story in many respects.
>
> "We are the new government," said the committees as they moved into control in the section north of the 17th parallel, which was ceded at Geneva to the Communist-trained Viet Minh.
>
> They came speaking of themselves as officials of the Vietnam people's republic, the pattern name for Communist regimes.
>
> The correspondents of Le Monde and France-Soir told in grim dispatches of the rapid breakdown of a government in north Indochina which the French had tried to build securely for three-quarters of a century.
>
> Local officials in large numbers simply fled their posts on the day of the cease-fire and caught the first planes south to the relative security of Saigon, or simply disappeared.

Mr. President, there is no longer a war going on in Indochina. It is well to point out that the administration was spending enormous amounts of money on that war. Referring to page 167 of the report, Mr. Stassen was asked how much money would be available for expenditure in Indochina this year. He answered, as shown on page 271, that the amount was $1,177,900,000. Think of that, Mr. President—$1,177,900,000. That is the amount of money that was to be programed and made available for the Indochina war. The Indochina war has now come to a close. Any efficient administrator would reconsider his program and ascertain where that enormous amount could be made available in other places.

My amendment proposes that the amount made available be reduced by $200 million.

The bill originally provided $308 million for weapons for Indochina. The only reason the amount was not larger was that there was so much in Indochina already. The bill contains the same amount as originally proposed for other countries in that general area.

Mr. President, I should like to point out that even if the amount were reduced by $200 million there would still be available enough, just in this year's appropriation, to increase every other item for Thailand, Burma, Indonesia, Formosa, or Japan. There would still be enough in the bill to increase those items 50 percent, as far as new money is concerned. A reprograming would make it possible to increase the amount threefold or fourfold. Therefore, I see no need to grant enormous amounts of money that would be carried on hand, and which could be spent in one place or another.

Congress has a responsibility under the Constitution. The Congress must appropriate money for the program. It is the responsibility of the Congress to know for what purposes the money is being appropriated. I say we would not be wisely discharging our responsibility by appropriating untold hundreds of millions of dollars when we are not told how it will be spent. Persons in charge of the program were unable to testify as to how the money was to be spent.

If ever there was a program which should be studied, this is it. If there should arise an emergency or a need for appropriating more money in the future, Congress will be back in session in

a few months. The President, after he has studied the question, can make a specific request in a message. Certainly the money will not be spent by that time.

I hope the amendment will be agreed to, and that we will reduce the item. By doing so, we would be bringing the amount down to the same figure originally approved when the appropriation bill was passed. I know some Senators who did not vote to reduce the item in the appropriation bill will now vote for it.

I recall that the very able and distinguished Senator from Georgia, whom I admire above all Members of this body, stated at that time he hoped that the Appropriations Committee would reduce the amount recommended by the Foreign Relations Committee by about $500 million.

If there is ever an item in a bill that could stand reduction, this is it. It is loose money. It is not meant to be spent in the manner intended in the appropriation.

I am told that there may be more than $400 million worth of equipment on dockside at Indochina. That is available to be shipped to Europe or elsewhere. In addition to that, there was about $600 million in the pipelines that was programed for Indochina, as well as $800 million which was requested for this year in Indochina. In addition to that, $700 million was asked for the use of troops abroad, with this Nation paying the expenses and French troops being used.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. LONG. Mr. President. I suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, will the Senator withhold that request for a moment?

Mr. LONG. I withhold it.

Mr. KNOWLAND. Mr. President, I rise to oppose the amendment of the Senator from Louisiana. I hope the Senate will bear with me. I have a little cold, and my voice may or may not hold up under the circumstances; but, unless the Senate and the House of Representatives are prepared to take a completely defeatist attitude, I know of no message that could go out to the people of Asia, and particularly to those of southeast Asia, who are "under the gun," to the people of the Philippines, to the people of free China on Formosa, to the free people of Korea, and to the free people of Japan, which the Communists are making a mighty effort to bring into their orbit, which would be more disappointing to them than action on the part of the Senate of the United States to make the proposed cut in this particular item.

After all, the free world has suffered a great defeat in southeast Asia. There is no question about it. Ten million persons who once were outside the Communist orbit are now going to be behind the Communist Iron Curtain. Other nations are waiting in balance to know whether or not the free world is to be prepared to resist any further Communist aggression.

To admit now, as the Senator from Louisiana would have us do, that the elections in Vietnam are lost, as well as the chances of saving the rest of Vietnam, perhaps Laos and Cambodia, and, by inference, Thailand and Malaya—I know of nothing that would cut the heart out of and the ground from under the free nations of the world more than the statement of the Senator from Louisiana and the adoption of his proposal.

I do not know that the statement I am making, when the temper of the Senate today is considered, will influence one single vote; but I have been in that area, not once, but four times, and I say that we could not cut the heart out of those people any more if we went in there with a knife and cut it out than we could by agreeing to the amendment. These people are living, not knowing from day to day when the Communist hordes are going to come.

Tonight, as we are meeting here, there are reports that over 100,000 Chinese Communists are mobilizing on the Fukien coast, in China. We understand that they include paratroops and others, who may be there merely as part of a cold-war threat, or they may be there to make an assault on the outlying islands of Kingmen and nearby islands, and then on the Pescadores and the Island of Formosa.

We do not know how long the Communists will honor the truce. It is my judgment that it will not be very long. As soon as they have digested this meal, they will move in, in my judgment, before too long. They are already increasing the cold-war pressure. They are talking about invading Formosa. They have already taken a puppet former premier of Thailand and sent radio messages there, indicating that eventually they are prepared to try an internal coup d' etat in Thailand.

So, Mr. President, I make a plea to the Senate. I am sorry that the entire membership of the Senate is not here, but I would feel remiss in the performance of my duty and my responsibility if I did not make this plea. I plead with the Senate at least to respect the judgments of Admiral Radford, General Van Fleet, and every other responsibile official of our Joint Chiefs of Staff, and also to respect the judgment of the Secretary of State and the judgment of the President of the United States. President Eisenhower has been in the White House only 18 months. Senators who, year after year, without question, voted in favor of what the former President of the United States requested, when he thought the security of the Nation and of the free world was at stake, should not abandon and desert the President of the United States now.

During the administration of the preceding President of the United States, I sat on this side of the aisle and supported the recommendations of the then President, in the Greek-Turkish aid program, in the North Atlantic Pact, and in other matters. When he felt it was necessary for the freedom of the world to resist the first overt act of aggression in Korea, I stood on the floor of the Senate—I was one of the first Senators to do so—and pledged my support to the then President of the United States for taking action, without which not only all of Korea, but perhaps Japan and all of Asia, would today be in the Communist orbit.

Senators can vote to eliminate this appropriation if they wish. Senators may send to the Far East that message, if they wish. But they will not do it with my vote. Mr. President, I say to the Senate, with all the sincerity I possess, that at this desperate hour in the history of the Far East, I plead with Senators not to make this additional cut, which will be interpreted by the people of Asia as action by America in "writing them off." That, we must not do.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Louisiana [Mr. LONG].

Mr. SMITH of New Jersey. Mr. President, I should like to add a word to what the distinguished majority leader has said.

For 10 years now, I have served on the Foreign Relations Committee. We have tried to develop there a policy of knowing what we were doing. I, myself, have been three times to the Far East. I echo everything the distinguished majority leader has just said.

It is most desperate even to consider cutting this appropriation any further.

With all the vehemence at my command, I urge my colleagues to stand by the President of the United States in this crisis.

Mr. HUMPHREY. Mr. President, I wish to say that I have tried to stand by the President in his recommendations in regard to the foreign-aid bill. I have listened to the pleas of the Members on the majority side. I think the majority leader just made a very appropriate statement, when he said we have to rely on, and have trust in, some persons in key positions of leadership.

I do not believe this is a partisan matter at all. I think there are Members of the Senate who have honest differences of opinion as to how much money should be appropriated, and also as to what the authorizations should be.

When the RECORD is read, I think it will be found that the junior Senator from Minnesota has consistently supported the recommendations of our Foreign Relations Committee and, most of the time, those of our Appropriations Committee, for purposes of mutual security, defense, and foreign aid. I have done so because I feel that they have greater insight, in the main, than do the rest of us, individually.

But again I say that when a particular Member of the Senate may disagree, that does not mean he does not have faith and trust in the President or the Secretary of State or the Secretary of Defense.

I want the RECORD tonight to be perfectly clear. If there is any doubt as to whether this budget or this appropriation is large enough or too little, I want that doubt to be resolved on the basis of

having adequate funds appropriated. I want the RECORD perfectly clear insofar as I am concerned. I want the RECORD to show that I trust the President's use of these funds. I do not believe the President will squander them. I do not believe that any officer of our Government would knowingly squander them. Congress has control of the purse strings, and Congress can make the appropriations which it deems wise and prudent.

But I honestly believe that when it comes to a matter of the security of our country, we have to place reliance upon our Commander in Chief. We have to place reliance upon him unless we feel that he has economized too much.

I have but one criticism to make of the administration, in the matter of defense and security, and that is a personal matter; it is one which I think all Members of the Senate know I subscribe to, for it has been announced again and again by the Senator from Missouri [Mr. SYMINGTON], namely, that there is greater regard for the bookkeeping entries of the budget than there is, at times, for the real facts in relation to our security. That is a personal view, Mr. President.

I do not say I am right, nor do I say that those who take the other view are wrong. But I say that if I am going to take any chances, I am going to take chances on the side of being extravagant; and I am going to take chances on the side of having too much, rather than too little; and I am going to take chances on the side of being there too soon, rather than too late. That has been my position, and it is nothing new. On many occasions I have said this to my constituency in Minnesota. I have said very frankly to them, "If you want in the Senate someone who is going to be a pennypincher in regard to defense, get rid of me, because I am not going to do that. If you want to have representing you in the Senate someone who is going to try to cut $100 million, or $200 million, or $400 million from the mutual aid bill, the bill for security and assistance in our own interest, and if you want me to be that kind of a Senator, then get rid of me, because I will not vote for it."

I wish to say to the majority leader that while we have had our differences of opinion, yet I realize that his plea is a sincere and an honorable one. I will vote to maintain the appropriation in the amount recommended by the Appropriations Committee.

By the way, Mr. President, later I shall suggest that all of us honor the statement made a moment ago by the majority leader—and I took it down. He said: "We must not desert the President. We must rely upon his recommendations."

Mr. President, when I get a chance to do so, I am going to offer an amendment which will fulfill the President's recommendations for the United Nations technical assistance. The President requested $17,900,000. Not only did he request it, but his Secretary of State also requested it.

His Foreign Operations Administrator also requested it. His Director of the Bureau of the Budget also requested it. The Department of Defense also requested it. I am going to be right back of the President, in asking the Senate to vote for it; and when I make that request, I want all my colleagues who wish to honor the President in connection with these matters to rise up as one and join with HUMPHREY in voting for the appropriation of $17,900,000. Mr. President, let us be consistent by doing that.

Mr. LEHMAN. Mr. President, as all my colleagues know, I have consistently fought against the cuts which have been made in our defense items. I have opposed the very serious cut in our appropriations for the Air Force. I have opposed the serious cut—I regard it as a serious one—which has been made in the appropriations for the Army.

This afternoon I opposed the cut which was proposed by the distinguished senior Senator from South Carolina [Mr. MAYBANK]. So I am very firmly and definitely on record as feeling that, if anything, we have done too little to build up our defenses.

I believe that what the distinguished majority leader has said this evening is absolutely correct. I cannot conceive of anything we could do which would do more to discourage the people of Asia, whom we want to be our friends, whom we must have standing next to us, and who must have confidence, trust, and hope in us. If we cut this appropriation now, we shall be making a monumental mistake. I shall certainly vote against such a cut, and I shall vote in support of the position taken by the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Louisiana.

Mr. LONG. Mr. President, at least I wish to say, in behalf of my position, that I have been consistent in these matters. I can recall that at one time some of our great Republican friends were leading the charge for a 10 percent reduction in foreign aid. I supported them; it seemed to me that we could make those economies.

I heard some of the great stalwarts stand here and say, "Oh, do not cut this; it will wreck the entire program and perhaps the whole Nation if that is done."

Mr. President, so far as I am concerned, I am willing to give the President and the Army and the Navy and the Air Force every cent that they can use effectively for our protection and that is all I am willing to give them.

The junior Senator from Louisiana has worked on these items year in and year out. I had the honor one time of serving on the Armed Services Committee, which at that time had jurisdiction of this bill. There was a time when we used to assign the foreign-aid authorization bill first to the Foreign Relations Committee and then to the Armed Services Committee. I have had occasion to study some of these items firsthand.

The junior Senator from Louisiana was one of those working on these authorizations who said: "Show us what you want the money for. If you are just going to waste it and fritter it away, I am not going to vote for it; but if you can show us where you have a worthwhile program which will accomplish something, I shall be delighted to vote for it."

Let us look at some of the money we have appropriated. In this foreign giveaway program since World War II we have given more than a billion dollars to Communist countries behind the Iron Curtain. I am sure an eloquent plea was made for it, although I did not have the honor to serve in the Senate at that time.

According to an analysis made for use by Government agencies, the Congress has given away $45 billion to foreign nations since World War II. In this military-aid program the Nation has given away $19 billion. They will have on hand $13 billion more for the same purpose if this bill passes.

Mr. President, the junior Senator from Louisiana points out one item. Here is the item where Mr. Stassen says he will have on hand $1,177,000,000 for Indochina. Mr. Stassen says he should not spend that money. The generals who testify for it say they should not spend that $1,177,000,000. Every report we get from the press tells us that we should not spend that $1,177,000,000, because the equipment is falling into the hands of the Communists. The Senate has just agreed to an amendment offered by the Senator from South Carolina to transfer $200 million of that $1,177,000,000 to different areas, in view of the fact that we should be trying to save this equipment from the Communists instead of sending more in.

The junior Senator from Louisiana heard the argument about psychology—that someone's psychology was going to be affected adversely if we cut this item. Mr. President, where was their psychology when those people decided to surrender We were trying to buy our way into the war every way we could, picking up almost the whole cost. We were paying 65 percent of the salaries of the French who were fighting the war, and still they gave up. We were paying for all the equipment and we were financing France at the same time and giving her economic support and sending our money to France to build equipment in France that our own factories and our own workers were capable of producing, at a time when we had 3½ million men unemployed in this country.

This Nation tried to buy into that war. We tried to take over and supervise it. The French would not let us take a controlling hand in that war. They decided they would go ahead and ask for truce terms anyway.

They asked for a truce, which was nothing more or less than a face-saving device, one which everyone knows is a defeat for our side. We will be lucky if any of Indochina is left on our side when the matter is finally cleaned up.

It is time that we recognize that the American taxpayers, unless they want to send their sons to fight in Indochina, do not have enough money in America to buy victory in that war. It has been lost, and we might as well face it.

I do not like to say that is the case, but that is what has happened.

If we do not know how the money should be spent, let us wait and see, and try to get our money's worth for it.

Let us look at the rest of the program included in that. If my amendment carries, we will find that that item was projected to be $583 million, with $380 million of it as new money for Indochina. That is in addition to $600 million they had left over for Indochina.

The Foreign Operations Administration will still be in position to reprogram another $180 million into other programs all through that area.

Mr. President, instead of adhering to the idea that we can make everything come out our way by lavish, reckless spending of the taxpayers' money, we should try to see what we are getting for our money, we should try to see that the taxpayers' money is being spent wisely.

I am frank to tell you, I have serious doubts that the $45 billion we gave away since World II has been entirely wisely spent. I am afraid that a lot of it did not accomplish much.

I am willing to vote for more foreign aid. I am willing to support this program. But I would like to see a carefully studied program, one where we know what we are getting and where we believe that the money which we are paying will bring dividends which will justify the expenditure.

That is all this amendment amounts to.

Mr. President, some say it will be bad psychology to vote for this amendment, but if the Senate does so, it will be doing the same thing it did one week ago when the Senate adopted my amendment to reduce the authorization to $2,710,000,000. After the Senate passed that judgment, the Senate Appropriations Committee reported out a bill which attempted to appropriate $3,190,000,000, which was $400 million more than the Senate had expressed itself to its committee as favoring for this program.

The Senate has now agreed to reduce that amount by $200 million. I would recommend that the Senate stick by its original judgment.

I did not see the whole free world fall apart when the Senate voted for the Long amendment last time. Some of the things we fear the most never happen. It seems to me we have a chance here to effect a worthwhile economy; that we have a chance to insist that we will look at these programs and know what the money is to be spent for. That is the reason the junior Senator from Louisiana has consistently tried to see to it that this money would be economically spent.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG].

The amendment was rejected.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 8, it is proposed to strike out "$9,757,621" and insert "$17,900,000."

Mr. HUMPHREY. Mr. President, my amendment is the figure for the appropriation as contributions to the United Nations program of technical assistance, in the amount recommended by the President of the United States, $17,900,000 to be used through June 1955 for technical assistance through the United Nations.

I want my colleagues on the other side of the aisle to note what I said, in view of what has been stated here within the last hour. The recommendation of the junior Senator from Minnesota is the recommendation of the President of the United States. It is the recommendation of the State Department. It is the recommendation of the authorities of this country who have responsibility for our relationships in the United Nations and our diplomacy overseas.

I particularly want those who feel that we should follow these recommendations of the administration to listen to my plea.

The amount was approved in the bill adopted by the Senate last Thursday night, August 12, and a similar bill was adopted by the House.

We are now faced with an appropriation measure which would cut out entirely that section of the appropriation for United Nations technical assistance to be carried on from January 1 through to the end of our own United States fiscal year. This is a strange way to change our long-standing policy on appropriations, and is mistakenly designed to allow time for a study of supposed overlapping in the technical assistance programs carried on by the United States and the United Nations.

First, let us take a look at the effect of the appropriation before us. To appropriate a half a loaf for United Nations technical assistance to me is a grave mistake. If we approve the appropriation of only $9.9 million of the $17.9 million requested, it seems to me we are telling the world that we are putting our faith—our whole faith—in atomic bombs and massive retaliation. I am not sure we can sell this bill of goods to what is left of the free world.

Let me explain the position in which this puts our United Nations representatives. This $9.9 million will be just enough to fulfill the United States commitments through December 31 of this year. The U. N. pledging conference will be held in November. It will be difficult, if not impossible, for our delegates to make any pledge for 1955 if no funds are appropriated. I am sure you realize how impossible it would be for a new Congress to provide needed funds in January.

Thus, if we permit this cut to go through, it will provide the Soviet empire a real opportunity to pick up the ball and open a propaganda campaign which is likely to endanger our prestige throughout the world. I do not believe we can afford at this point to be penny-wise and pound foolish. We cannot afford to abandon our leadership in these programs which have been so beneficial to underprivileged countries. Let me say, Mr. President, that right there is where communism grows.

There is no doubt in my mind that the free world feels a great indebtedness to this country for such outstanding programs as the Marshall plan, economic aid, contributions to children's emergency relief and other U. N. agencies, and support for such voluntary organizations as CARE, CROP, church relief bodies and other private groups. To augment these, of course, we have had one of our Government's finest expressions in point 4, or the technical assistance program. Generally people do not like relief, but they welcome assistance in showing them how to meet their own needs better.

However, technical assistance must be provided not only through our own bilateral program. We must cooperate with other countries in a joint effort to stamp out poverty, illiteracy, and disease. We cannot expect our own program to get the kind of results possible through united action.

Here are one or two examples of the achievements of this multilateral program:

With an investment of $40,000 the United Nations Food and Agriculture Organization added $24 million to the value of Europe's 1952 corn crop. It did so by developing a hybrid maize seed.

In Pakistan a U. N. expert located a new subterranean water reserve just outside Karachi. This saved the government $1.5 million it would have had to spend to relieve a water shortage.

A small tools expert in Afghanistan showed farmers there how to increase their output by 250 to 300 percent, merely by introducing tools such as the hoe, scythe, fork, and hay rake. When farmers are shown how to grow better and bigger crops, they and their countrymen do not listen to the blandishments of communism.

There is only one country on the face of the earth today which seems to be concerned about an abundance of food and fiber, and that is the United States of America. All other countries are highly anxious to improve their crop production. When they are shown how to build irrigation systems, get the fertilizer they need, and break free from the moneylender's stranglehold, then a vital blow has been struck against communism.

Nearly 4,500 experts are at work in the United Nations point 4 program. The total budget is approximately $25 million and is contributed by 72 countries. Ironically, 25 other countries have increased their contributions for 1954 over 1953, and few, if any, except the United States, have indicated they might decrease their contribution.

You will remember that this body recently approved a resolution introduced by the junior Senator from Montana authorizing a study of the technical-assistance program. This should be very beneficial to us in deciding both policy and appropriations for the years to come. It would be impossible for us, however, to

receive the recommendations of this committee and act on an appropriation measure at the next session of the Congress without leaving the specialized agencies of the United Nations without funds to carry forward their programs, and even worse, without any assurance that they could make plans for technical-assistance work even running as much as a few months ahead.

Involved in this appropriation are the technical assistance programs of the U. N. Food and Agriculture Organization, World Health Organization, International Labor Organization, U. N. Educational Scientific and Cultural Organization, International Civil Aviation Organization, and others. Involved in this work is some of the most constructive work of American foreign policy.

Mr. President, I believe my colleagues will be interested in the very fine statement made by Representative JOHN VORYS, of Ohio, on the floor of the House of Representatives July 27 on behalf of restoring the full appropriation for $17.9 million for technical assistance through the United Nations. Let me quote to you Mr. VORYS' statement:

This amendment restores the amount requested by the Eisenhower administration for the United Nations technical assistance program, all of which was stricken out by the Appropriations Committee. It consists of $9.9 million to complete the United States' pledge for calendar year 1954 and $8 million to fulfill our pledge for the first half of 1955.

What do we mean by "pledge"? It simply means that James W. Wadsworth, Jr., son of our beloved late Member, in a United Nations meeting in the fall of 1955, when they were getting up the budget for this organization, pledged that we would pay $13.8 million. Nine and nine-tenths million dollars of this was to be subject to congressional approval, because no one can pledge future action by the Congress. He also made the further proposal that from now on we pay 57 percent instead of 60 percent of the total amount to be raised. So that the amount in my amendment is 57 percent of the amounts contributed, not including the amounts to be furnished by the receiving countries. If the amounts contributed by the receiving countries are included, this amendment is about 22 percent of the whole amount.

There are two questions. One is a big onc and the other is a little one. The big question is, Are we going to move out of this United Nations Organization at the time the Communists move in? They did not participate until last year, when they found out thcy were losing out propagandawise because of the enormous popularity of this technical-assistance program. So last year the Communists and their satellites came in and put in about 8 million rubles, which, I think, is about $1,125,000 in American money. Is that the time we want to bow out entirely through the back door from this United Nations Organization, by means of not paying our dues? I want to say that in my judgment we get more for our money, in proportion, in good will out of our contributions to the United Nations technical-assistance programs than we do from our own technical-assistance programs, where the expenses are more than five times greater, than the amount that is suggested here by the administration for the United Nations program.

It is said there is duplication. We found some in our hearings, but the duplication is at least intended to be in geographical areas and not in functions. That is, the U. N. will carry on a hospital program in a country where the United States is carrying on a bilateral educational one. There are 13 countries where the U. N. programs are the only technical programs.

This amendment will permit the restoration of the $4,300,000 for FOA.

The little question involved is whether an activity important to our foreign policy should be cut off entirely because the agency disobeys admonitions in a committee report or a conference report. I admit the great power and authority and value of a report from the Appropriations Committee, but, after all, their word is not law. To admit this would give this committee, which is, after all, a minority in Congress, independent lawmaking power. In any case, the punishment for failure to comply with a committee report should not be to wipe out an important program which is part of the administration's foreign policy.

We should continue our participation in this United Nations program. This amendment, although not the best way to insure this, will help.

In conclusion, Mr. President, let me say that what I am asking for is a sensible realization of the budget necessities of the United Nations agencies on technical assistance.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. In a moment I shall be glad to yield. We have been discussing other items that run into hundreds of millions of dollars. I am talking about a very little item. Our technical program in the United Nations will expire on December 31, 1954, insofar as our participation is concerned, if we appropriate only the amount carried in the bill. I understand fully that the House committee did not appropriate anything for this item, and I appreciate the fact that the Senate Committee on Appropriations has at least provided $9 million, plus, up to December 31, 1954. I do think that we ought to go into 1955 with some money, because Congress will not be back before January 1 to take up a matter such as this.

We ought to have at least some money with which to carry forward into the year 1955, so that the plans of the United Nations can be fully realized, and that our delegates to the U. N. can go there as delegates, not as observers. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I shall ask the Senator whether he heard the earlier colloquy on this subject between the Senator from New Jersey and the chairman of the Committee on Appropriations.

Mr. HUMPHREY. I did not.

Mr. SMITH of New Jersey. The committee felt that it should make an appropriation for the remainder of this calendar year, because the U. N. operates on the basis of the calendar year, while we operate on the basis of the fiscal year. The Committee on Appropriations plans to consider the subject before the next time we have to meet on this question, to determine what we will give to the U. N. for the first half of next year.

Mr. HUMPHREY. I may say to the Senator from New Jersey—and he knows I am telling the truth when I say this—that if the funds are appropriated only up through December 31, 1954, that that will be the end of the use of that money, and we will go into January of next year before Congress can act on the subject.

It will be January or February before we can get a supplemental appropriation bill through Congress which will meet the needs in the calendar year 1955. The U. N. is on a calendar year basis, whereas the United States is on a fiscal year basis. I believe the least we should do is to sort of split the difference, and extend the appropriations until at least April or March of 1955. That could be done by adding $4 million to the amount that is proposed to be appropriated. I would be more than willing to modify my amendment to that extent, so that Ambassadors Lodge and Wadsworth will not be embarrassed.

Mr. SMITH of New Jersey. I will be there, too.

Mr. HUMPHREY. Yes; and the Senator from New Jersey will be there. I do not want him to be embarrassed.

Mr. SMITH of New Jersey. And the Senator from Arkansas [Mr. FULBRIGHT].

Mr. HUMPHREY. Yes; the Senator from Arkansas also. We want our distinguished colleagues to go there in good standing. This is the first year we have ever done anything like this. I heard an impassioned plea made a few minutes ago that we follow the leadership of our President. I am trying to follow the leadership of our President. I say that the administration has asked for this sum of money. It has not only asked for it, but it has pleaded for it. As every Member of this body knows, the groups that are interested in these activities have asked that we make the appropriation large enough so that it will extend over into the next year.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DIRKSEN. Let me point out that there is $110 million provided in the bill for multilateral technical cooperation between this country and all other countries of the world.

Mr. HUMPHREY. I understand.

Mr. DIRKSEN. I think we are in perfect accord with the President on this point. First of all, we pick up the pledge of this country to the U. N. multilateral programs for the 1954 calendar year.

Mr. HUMPHREY. That is right.

Mr. DIRKSEN. We are in the unhappy position of having representatives there who literally commit this country to an expenditure and virtually assume the power of the purse. Later on they come before the Appropriations Committee and make the argument that there is a moral obligation to go through with their commitment.

We have tried to make it clear to them on a number of occasions that we will not do business on tha basis. Therefore, I think they are more than satisfied to have us give them $9 million plus, for the pledge, so they may go ahead with the plans for 1955, and then come back to us again. It is not too likely that they will run out of money entirely in the programs under the provisions of this bill, and nobody will be hurt.

Mr. HUMPHREY. I appreciate that.

Mr. DIRKSEN. We shall carry out every obligation we have, and shall do so in conformity with the intent of the

President. I hope the amendment will be defeated.

Mr. HUMPHREY. Mr. President, so that the RECORD will be clear, the appropriation in the bill is not in conformity with the recommendation of the President; it is not in conformity with the recommendation of the Bureau of the Budget; it is not in conformity with the President's message to the Congress on this matter.

I listened a few moments ago to the rather sharp comment concerning the amendment of the Senator from Louisiana. The Senator from Louisiana was right. He has taken a consistent position.

The interesting thing is that consistency on this matter comes only when it is desired. The interesting thing, it seems to me, is that when the President's recommendation is desired then we must have it, but when it is not desired, then we must justify it.

I happen to believe we have never before, insofar as I know, used this kind of a budget for U. N. activities, and we ought not to do it at this particular time. At least I think if we would provide enough to cover the period into March, if we would get over the hump of the year into March, we would be doing the right thing.

Mr. BRIDGES. Mr. President, may I explain one thing.

The PRESIDING OFFICER (Mr. WATKINS in the chair). Does the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. The distinguished Senator from Minnesota apparently is in error, or has made an incorrect statement. The Senator says that we are appropriating for the last 6 months of the year, and we cannot afford to have occur an interim period between the end of the use of that money and the time when the Congress can appropriate once more.

May I point out to the distinguished Senator that in the fall of 1953 our representatives to the United Nations pledged, subject to the approval of Congress, the sum of $13,861,809. Up to now expenditures have been $3,904,188. They have not had enough money to carry them this far. Therefore, the money we are appropriating now is not only for the remainder of the year but for the purpose of paying some 2 or 3 months of a back amount due.

Therefore, if they have survived that one lapse they certainly can survive another one shortly after the first of the year.

I point out to the Senator, also, that I think it is very important that the United Nations representatives, whether they be the distinguished Senator from New Jersey or the distinguished Senator from Arkansas or anyone else, should make it clear that when they agree to the United States contribution to this program it is a tentative approval subject to the will of Congress, so that there will be no misunderstanding about it.

The Senator from Minnesota also knows that the art of legislating successfully is to find a common ground on which people can agree. The House appropriated no money for this purpose. The Senate was asked, as the Senator from Minnesota says, for $17 million plus—the whole amount.

The Committee on Appropriations of the Senate felt that we should provide this amount to complete the program for the calendar year this year, which is the United Nations' year. Then, instead of saying "No" to the rest of it and "No" to the whole amount, we held out the hope and belief that the committee could make a study of it. Then when Congress returns, and we have our first supplemental bill up for consideration, after the first of next year, if the facts justify it, as a result of our examination, we certainly have indicated we would appropriate more money.

I will say that the Senator from Minnesota is well intentioned.

Mr. HUMPHREY. I thank the Senator.

Mr. BRIDGES. The Senator means to do right. However, inasmuch as the committee has done what I have stated, I do not think we would suffer any harm if we allowed perhaps a lapse of a few days or even a month, because we certainly know that situation occurred this year.

The Senator has made his case very clear, as to what he is in favor of. I assure the Senator that the committee will give every possible study to the matter, and we will be willing and ready to act promptly on the first supplemental bill which comes before us the first of the year.

Mr. HUMPHREY. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. Let me say to the Senator from Minnesota, as one who favors this program, that we are doing this year exactly what was done last year.

I call attention to two sentences on page 9 of the committee report:

> This appropriation is made with the understanding that no further pledge shall be made to the United Nations for the expanded technical assistance program by any representative of the United States Government without prior authorization by the Congress of the United States. This does not preclude the United States representatives from making recommendations to the committees.

That is what was done last year, and that is what we are doing again this year.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. [Putting the question.]

The "noes" appear to have it.

Mr. HUMPHREY. Mr. President, I request a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 10051) was passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. SALTONSTALL, Mr. DIRKSEN, Mr. HAYDEN, Mr. RUSSELL, Mr. MCCARRAN, and Mr. CHAVEZ conferees on the part of the Senate.

ADDRESS BY SENATOR MANSFIELD ON AMERICAN FOREIGN POLICY

Mr. JOHNSON of Texas. Mr. President, yesterday upon this floor the junior Senator from Montana [Mr. MANSFIELD] delivered a foreign policy address which is worthy of the attention of every American.

I should like to call it to the attention of all my colleagues. It was made following a very important vote and following several hours of continuous session. As a result, some Senators had left the chamber and unfortunately were not present.

This address, Mr. President, was pitched on the very highest plane of Senate debate. It was characterized by originality, by nonpartisanship, and by an earnest striving to seek the right course that will best solve our difficulties.

I have no intention of retracing the steps taken by the junior Senator from Montana. I merely want to say that I share his deep desire to eliminate partisanship from the issues of national survival, and that I am proud, as I am sure all Senators are proud, to be associated with a man who so ably approaches the vital problems of our time.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, contrary to the earlier discussion because of the lateness of the hour, I do not intend to have called up any House amendments to which the concurrence of the Senate is requested. I think they can go over until Monday without any damage to anyone.

I shall be prepared to yield for insertions in the RECORD or brief statements, but I think the staff and the Senate have had a long week and a heavy day. I wish to recess as soon as we conveniently can.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Oregon.

TRIBUTE TO IDA KLAUS

Mr. MORSE. Mr. President, last night I made a brief comment by way of tribute to Ida Klaus, the recent Solicitor of the National Labor Relations Board, who has resigned to take a similar position with the labor department of New York City.

Aug. 16, 1954

authorizing the transfer of personnel and appropriations to defense activities of various departments and agencies pursuant to law, regarding rental of Government-owned living quarters. Contains language, similar to that in previous years, prohibiting the use of funds of corporations for purchase of construction of office buildings, and authorizing the use of appropriated funds to purchase foreign credits owed to or owned by the U. S.

3. PERSONNEL. Received the conference report on H. R. 2263, the so-called fringe-benefits bill (H. Rept. 2665)(pp. 13893-901). The text of the bill, as agreed to by the conferees, is printed in the Record.

4. ATOMIC ENERGY. Received the revised conference report on H. R. 9757, to make various changes in the Atomic Energy Act (H. Rept. 2666)(pp. 13873-88). The revised bill is printed in the Record.

5. VEHICLES; FURNITURE. Concurred in the Senate amendments to H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government-owned motor vehicles (p. 13824). This bill will now be sent to the President.

6. DEBT LIMIT. By a division vote of 193 to 31, concurred in the Senate amendment to H. R. 6672, increasing the debt limit of the Government. The amendment provides for a temporary increase of $6 billion until June 30, 1955. (pp. 13824-8). This bill will now be sent to the President.

7. CUSTOMS SIMPLIFICATION. Concurred in the Senate amendments to H. R. 10009, to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and to repeal or amend obsolete provisions of the customs laws (pp. 13822-4). This bill will now be sent to the President.

8. FOREIGN AID; SURPLUS COMMODITIES. House conferees were appointed on H. R. 9924, to provide for family housing for military personnel and their dependents, to authorize the Secretary of Defense to procure such housing for military personnel in foreign countries through the use of foreign currencies obtained through sale of surplus agricultural commodities, and to make Defense Department appropriations available to reimburse CCC in an amount equivalent to the dollar value of the currencies used (p. 13829). Senate conferees have not yet been appointed.

9. SOCIAL SECURITY; FARM LABOR. House conferees were appointed on H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers (p. 13820). Senate conferees have been appointed.

10. FOREIGN-AID APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 10051 (p. 13821). Senate conferees have been appointed.

11. EDUCATION. Passed without amendment S. 3629, to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955). This bill will now be sent to the President.

Passed with amendment S. 3268, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof (p. 13857).

12. PERSONNEL; RETIREMENT. Passed with amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (pp. 13828-9).

13. FARM LABOR. The Judiciary Committee reported without amendment S. 2862, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders (H. Rept. 2662) (p. 13902).

14. INVESTIGATIONS; PERSONNEL. Passed with amendments S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (pp. 13859-60).

15. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 13858).

SENATE

16. FARM LOANS. Concurred in the House amendment to S. 3245, to authorize the Secretary to use $15,000,000 of the Disaster Loan Revolving Fund for emergency loans to farmers and stockmen until June 30, 1955 (p. 13942). This bill will now be sent to the President.

17. RECLAMATION. Discussed and passed over, upon the objection of Sen. Smathers, H. R. 5301, to authorize the Interior Department to make loans to privately owned reclamation projects (pp. 13926-7).

Discussed and passed over, upon the objection of Sen. Smathers, H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (p. 13928).

Sen. Watkins stated "there is an extreme need for facts to clarify much of the confusion which has resulted from misinformation spread about the upper Colo. River project" and inserted George D. Clyde's (commissioner of interstate streams for Utah) article which discussed the issues (pp. 13909-10).

18. ATOMIC ENERGY. Agreed, 59 to 17, to the revised conference report on H. R. 9757, the atomic energy bill (pp. 13982-5).

19. PERSONNEL. Passed without amendment H. R. 5718, to limit to 6 years the period for collection by the Government of compensation received by officers and employees in violation of the dual compensation laws (p. 13928). This bill will now be sent to the President.

20. TAXATION. Sen. Ferguson inserted the President's statement made upon the signing of H. R. 8300, the general tax revision bill (pp. 13937-42).

21. SOIL CONSERVATION. Sen. Watkins inserted a newspaper editorial and stated that the "role that can be played by the Federal Government in cooperating in watershed improvement program under the Hope-Aiken measure is adequately shown" in this editorial (pp. 13910-1).

are going and why we are going there, I must object.

The SPEAKER. Objection is heard.

MUTUAL SECURITY APPROPRIATION ACT

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER].

Mr. CANNON. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from New York (Mr. TABER) if the legislative bill authorizing this appropriation has yet become a law?

Mr. TABER. I think it has, but I am not sure. The conference report has passed the Senate and the House, but whether or not the bill has been signed, I cannot say; but I think it has.

Mr. CANNON. The House, then, has had no notification of approval by the President of the authorization bill?

Mr. TABER. I have not heard of any.

Mr. CANNON. Would that interfere in any way with this bill going to conference and with action in conference?

Mr. TABER. I should not think so.

Mr. CANNON. This is the last appropriation bill to go to conference this session?

Mr. TABER. I hope so.

Mr. CANNON. And there is already one pending in conference?

Mr. TABER. That is right.

Mr. CANNON. Mr. Speaker, I wonder if the gentleman could give us any information as to when he expects to dispose of these two bills in conference?

Mr. TABER. I hope that we may be able to have a conference report tonight upon the Supplemental bill. I would hope that perhaps we will be able to get to a conference on the Mutual Security bill sometime this afternoon, although it may be a little difficult to do that. It would be very much better if we could get it over with, I hope with good results.

Mr. CANNON. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Reserving the right to object, Mr. Speaker, I understand that this request is to appoint conferees on the appropriation for the so-called foreign aid?

Mr. TABER. That is it.

Mr. GROSS. The other body put $9 million into this bill for so-called technical assistance to the United Nations. Is that correct?

Mr. TABER. That is correct.

Mr. GROSS. What will be the attitude of the House conferees toward that?

Mr. TABER. I would say that the House conferees did not like that idea when they made up the bill. They left it out of the bill because they felt that it was more damage than it was good.

Mr. GROSS. The House appropriated not one penny for this purpose?

Mr. TABER. We appropriated what we thought was right: nothing.

Mr. GROSS. I hope the managers on the part of the House will stand by their refusal to appropriate money for this purpose.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, as I understand the situation, the Senate appropriated over all some $200 million less for foreign aid than the House appropriated.

Mr. TABER. That is not correct.

Mr. BROWN of Ohio. What is the difference?

Mr. TABER. The difference is that the House was lower than the Senate by several hundred million dollars.

Mr. BROWN of Ohio. The House appropriation was lower than the Senate, not higher?

Mr. TABER. Yes, much lower.

Mr. BROWN of Ohio. I certainly want to express the hope that the House conferees will stand by the House version of the bill and reduce this appropriation to the very lowest possible amount.

Mr. TABER. I think the gentleman can count on that.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. TABER, WIGGLESWORTH, H. CARL ANDERSEN, FENTON, DAVIS of Wisconsin, FORD, GARY, ROONEY, PASSMAN, and CANNON.

PROCEEDINGS AGAINST HORACE CHANDLER DAVIS

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 704, 83d Congress, he did on today, August 16, 1954, certify to the United States attorney for the western district of Michigan the refusal of Horace Chandler Davis to answer questions before the Committee on Un-American Activities of the House of Representatives, together with all of the facts in connection therewith.

FILING OF CONFERENCE REPORTS ON MUTUAL SECURITY AND SUPPLEMENTAL APPROPRIATION BILLS

Mr. TABER. Mr. Speaker, I ask that the Committee on Appropriations may have until midnight tonight to file conference reports on the mutual security appropriation bill and the supplemental appropriation bill.

Mr. CANNON. Reserving the right to object, Mr. Speaker, does the request include filing conference reports on both the foreign aid and the supplemental appropriation bills?

Mr. TABER. It does.

Mr. PATMAN. Reserving the right to object, Mr. Speaker, is this the supplemental appropriation bill that carries the appropriation for the Hoover Commission?

Mr. TABER. It is.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ATOMIC ENERGY ACT OF 1954

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, with a Senate amendment thereto, insist on disagreement to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COLE of New York, HINSHAW, VAN ZANDT, DURHAM, and PRICE.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 9757 may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred sixty-three Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Adair	Engle	Mason
Angell	Fine	Miller, N. Y.
Ayres	Fino	Mollohan
Baker	Golden	Morgan
Barden	Gordon	Morrison
Beamer	Gubser	Moulder
Bender	Haley	Nelson
Bentley	Hand	Norblad
Bentsen	Harrison, Wyo.	O'Brien, Ill.
Blatnik	Harvey	O'Brien, Mich.
Boland	Hébert	Osmers
Bolling	Hess	Patten
Bowler	Hillelson	Patterson
Buckley	Hoffman, Ill.	Pelly
Busbey	Holifield	Pillion
Campbell	Holt	Powell
Canfield	Hosmer	Preston
Carrigg	Hruska	Prouty
Chatham	James	Rabaut
Clevenger	Jonas, Ill.	Radwan
Colmer	Kearney	Rains
Condon	Keogh	Regan
Cotton	Kilburn	Riley
Coudert	Klein	Rivers
Curtis, Mo.	Kluczynski	Robsion, Ky.
Davis, Ga.	Landrum	Rogers, Mass.
Davis, Tenn.	Lantaff	Roosevelt
Deane	LeCompte	Scrivner
Dempsey	Lipscomb	Secrest
D'Ewart	Lucas	Shafer
Dingell	Lyle	Sheehan
Dollinger	McCarthy	Sikes
Dolliver	McCormack	Smith, Wis.
Donovan	McCulloch	Stringfellow
Dorn, S. C.	Mack, Ill.	Taylor
Doyle	Mack, Wash.	Teague
Durham	Madden	Thompson, La.
Ellsworth	Martin, Iowa	Tollefson

Utt	Wainwright	Wilson, Calif.
Van Pelt	Weichel	Wilson, Tex.
Vinson	Wheeler	Yates
Vursell	Widnall	Yorty

The SPEAKER. On this rollcall 293 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SECTION 308 (5) OF THE TARIFF ACT OF 1930

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9248) to amend section 308 (5) of the Tariff Act of 1930, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 8, insert:

"SEC. 2. (a) Paragraph 1631 of the Tariff Act of 1930, as amended, is amended by inserting 'bookbinding or cover' after 'book.'

"(b) The amendment made by this section shall be effective as to articles entered for consumption or withdrawn from warehouse for consumption on or after the 10th day following the date of this act and prior to September 1, 1956."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. COOPER. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks on this bill following the remarks of the gentleman from New York [Mr. REED].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, the purpose of the Senate amendment to H. R. 9248 is to allow a period for the renewal of bookbinding and the importation of book covers for foreign books by the institutions or for the purposes specified in paragraph 1631 of the Tariff Act. These institutions are societies or institutions for religious, philosophical, educational, scientific, or literary in nature. It is not anticipated that any domestic bookbinding or book-cover industry would be affected by the amendment.

Mr. COOPER. Mr. Speaker, as H. R. 9248 passed the House it provided for the temporary exemption of racing vehicles and craft which are imported into the United States for racing events, where no money purse is involved, from the requirement of filing a bond.

The Senate added an amendment permitting certain religious, educational, and similar institutions to import free of duty until September 1, 1956, bookbindings and covers. I urge that the Senate amendment be adopted.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

TARIFF ACT OF 1930

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8628) to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

After line 5, insert:

"Sec. 2. (a) Paragraph 720 of title I of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 720), is amended by adding at the end thereof the following subparagraph:

"(d) Fish sticks and similar products of any size or shape, fillets, or other portions of fish, if breaded, coated with batter, or similaly prepared, but not packed in oil or in oil and other substances, whether in bulk or in containers of any size or kind, and whether or not described or provided for elsewhere in this act, if uncooked, 20 percent ad valorem; cooked in any degree, 30 percent ad valorem."

"(b) The foregoing amendment shall enter into effect as soon as practicable on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or a termination of the international obligations of the United States with which the amendment would be in conflict."

Amend the title so as to read: "An act to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty, and with respect to the duties applicable to certain prepared fish."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. COOPER. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks on this bill following the remarks of the gentleman from New York [Mr. REED].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, the Senate amendment to H. R. 8628 removes an anomaly in the existing duties on certain prepared fish by making fish sticks not containing any added oil dutiable at rates which are higher than those applicable to the raw fish from which they have been processed. The amendment also provides that the new rates of duty shall enter into effect as soon as practicable after the President has taken action to modify or withdraw any international obligations which may be affected by the proposed legislation. It is my understanding that this amendment avoids the possible conflict with international obligations to which the executive departments previously raised objections.

Mr. COOPER. Mr. Speaker, as H. R. 8628 passed the House it provided for the continued importation of crude silicon carbide free of duty.

The Senate added an amendment which would permit a readjustment in the rates of duties on fish sticks and similar products, amounting to an increase in these duties. This increase will be made only after the President has had time to modify concessions on them in our trade agreements.

It is my understanding that the interested departments are agreeable to this amendment. I urge that the Senate amendment be adopted.

(Mr. BATES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BATES. Mr. Speaker, the purpose of the amendment under discussion is to place a duty of 20 percent ad valorem on uncooked fish sticks and 30 percent on the cooked, with a view of providing fairer competition between foreign and domestic fish sticks in the event that foreign nations decide to send these fish sticks into the United States.

The 20-percent tariff on uncooked fish sticks represents an increase in the tariff to carry out the general policy that higher tariffs will be established for each successive stage of processing of any particular article. Under the existing law, the tariff on prepared fish sticks is lower than on raw fish.

I have held conferences with representatives of the various departments and this proposed legislation meets with general approval, and I am confident that the White House will endorse favorable action by this body. Dr. Gabriel Hauge, administrative assistant to the President, has already stated that "the goal of your bill, which we all agree, is a good one."

The domestic-fishing industry is making every effort to help itself in maintaining high standards, provide employment, and encourage industry, but it needs help and protection from competitive imports. The proposed amendment will alleviate some of the strain on the industry, and I urge its passage.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

REVIEW OF CUSTOMS TARIFF SCHEDULES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 10009) to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 1 and 2, strike out "for the purpose of determining the applicable rate

Aug. 18, 1954

alien sheepherders (p. 14245).

10. RECLAMATION. Passed without amendment H. R. 5499, authorizing the Michaud Flats project, Idaho (p. 14239). This bill will now be sent to the President.

Passed with amendments H. R. 2235, to authorize the Santa Maria project, Calif. Rejected, 17-47, an amendment by Sen. Morse eliminating the provision making an exception as to the 160-acre limitation in this project. (pp. 14286-8, 14290-304.)

S. 1555, to authorize the upper Colo. River project, was made the unfinished business (p. 14304).

11. EDUCATION. Concurred in the House amendments to S. 3628, to provide a permanent program of assistance for school construction (p. 14262). This bill will now be sent to the President.

12. WATER COMPACT. Passed with amendments S. 2821, consenting to a compact among States for disposition of the waters of the Missouri River and its tributaries (pp. 14239-40, 14284-6).

13. NOMINATION of Herbert Hoover, Jr., to be Under Secretary of State, was confirmed (p. 14207).

14. INTERNATIONAL AGREEMENTS. Discussed and, on objection of Sen. Smathers, passed over S. 3067, to require that international agreements other than treaties, hereafter entered into by the U. S., be transmitted to the Senate within 30 days after execution thereof (pp. 14241-2).

15. FARM PROGRAM. Sen. Langer explained why he was absent during the vote on the conference report on H. R. 9680, the farm program bill, and said he would have voted against the report (p. 14223).

16. FARM PROGRAM; ECONOMIC SITUATION. Sen. Goldwater, in discussing some of the dangers confronting our economic system, criticized high rigid price supports and stated that the administration has taken a "very courageous and long needed step in the farm program," and Sen. Kefauver suggested these 3 factors to reduce agricultural surpluses: Increase employment to enlarge purchasing power, improve the school-lunch program, and lower tariffs (pp. 14209-13).

HOUSE

17. FLOOD CONTROL. Concurred in the Senate amendments to H. R. 9859, the omnibus flood-control bill, which includes a provision authorizing $20,000,000 additional to this Department for work on watersheds (pp. 14175-7). This bill will now be sent to the President.

18. PERSONNEL. Agreed to the conference report on H. R. 2263, the fringe-benefits personnel bill (pp. 14172-4). This bill will now be sent to the President.

Agreed to the Senate amendment to H. R. 9909, to prohibit payment of Government retirement benefits to persons convicted of certain offenses. The amendment extends from 3 to 5 years the statute of limitations on certain crimes. (pp. 14174-5.) This bill will now be sent to the President.

Concurred in the Senate amendments to H. R. 9709, to extend and improve the unemployment compensation program, which includes a provision extending it to Federal employees (p. 14197). This bill will now be sent to the President.

19. FOREIGN AID; SURPLUS COMMODITIES. Agreed to the conference report on H. R. 9924, to provide for family housing for military personnel and their dependents, to authorize the Secretary of Defense to procure such housing for military personnel in foreign countries through the use of foreign currencies obtained through sale of surplus agricultural commodities, and to make Defense Department appropriations available to reimburse CCC in an amount equivalent to the dollar value of the currencies used (p. 14175). This bill will now be sent to the President.

20. FOREIGN-AID APPROPRIATIONS BILL, 1955. The "Daily Digest" states that the conferees agreed to file a conference report on this bill, H. R. 10051, and that: "As agreed by the conferees the bill would provide total new funds of $2,781,499,816, a decrease from the Senate- and House-passed versions of $9,325,000 and $114,445,184, respectively. The figure agreed upon added to unobligated funds of $2,462,075,979 would make a grand total of $5,243,575,795. (p. D1004).

21. RECLAMATION. Vacated the proceedings of Aug. 17 whereby H. R. 8498, to authorize the Palo Verde project, Calif., was sent to conference, and concurred in the Senate amendments to the bill (pp. 14171-2). This bill will now be sent to the President.

22. DROUGHT RELIEF. Rep. Brown (Ga.) urged that Ga. be declared a major disaster area and stated that in more than 100 counties the grain crop is "practically destroyed" (p. 14178).

23. ADVISORY COMMITTEES; PRICE SUPPORTS. Rep. Polk criticized the agricultural advisory committees and claimed that "almost none" of the reductions in prices received by farmers are being passed on to the consumers (pp. 14193-7).

24. FOREIGN TRADE. Rep. Eberharter spoke in favor of his bill, H. R. 9703, to provide assistance to communities, business enterprises and individuals in order to facilitate the adjustments made necessary by the trade policy of the U. S. (pp. 14190-1).

25. DROUGHT RELIEF. The Legislative Reporting Staff has obtained a supply of a House Agriculture Committee print, "The Drought Program, an Explanation of the Government's Program, in Cooperation with the States and Individual Farmers, to Combat the Effects of Drought."

ITEMS IN APPENDIX

26. SMALL BUSINESS. Extension of remarks of Rep. Hill commending the Small Business Administration and stating that it is "assisting our National economy to grow stronger and to stabilize our home-owned-and-operated business firms" (pp. A6131-2).

27. FARM PROGRAM. Extension of remarks of Rep. Burdick criticizing the administration's farm program and stating that "the acreage cut which Benson has made will put many small farms out of business" (p. A6135).

Extension of remarks of Rep. Hill discussing "the present situation of agriculture" and giving a brief report on the farm bill (pp. A6139-40).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 20, 1954
For actions of August 19, 1954
83rd-2nd, No. 162

CONTENTS

Acreage allotments.....24
Appropriations.....1
Auditing.....9
CCC.....9
Committees.....10
Conservation.....27
Dairy products.....23
Drought relief.....11
Education.....19
Electrification.....13
Farm prices.....25
Farm program.....20,28
Foreign aid.....1
Forestry.....3,27
Investigations.....6
Labor, farm.....8,17
Lands, reclamation.5,15,26
Law revision.....2
Personnel.....12
Postal rates.....12
Poultry prices.....25
Prices, support.....16
REA.....27
Soil conservation.....27
Tariffs.....22
Textiles.....18
Transportation.....4,14
Water compact.....7
Water facilities.....21
Wheat.....24
Whitten amendment.....12

HIGHLIGHTS: Both Houses agreed to conference report on foreign-aid appropriation bill. Senate passed bill to revise food-drug law, and House concurred in amendments. House concurred in Senate amendment to bill permitting long-term forest-land leases. Senate debated Federal pay raise bill. Senate debated Colo. reclamation project. Sens. Johnson (Tex.) and Morse criticized drought-relief administration. Rep. Harrison, Va., criticized reductions in wheat allotments. Rep. Hope inserted summary of farm program bill.

HOUSE

1. FOREIGN-AID APPROPRIATION BILL, 1955. Both Houses agreed to the conference report on this bill, H. R. 10051, and acted on amendments which had been reported in disagreement (pp. 14312-22, 14457-60). This bill will now be sent to the President.

2. LAW REVISION. Concurred in the Senate amendments to bills to codify and enact into positive law parts of the U. S. Code. The Senate passed these bills as reported earlier in the day. The bills are H. R. 9723, on food, drugs, and animal-plant diseases, etc.; H. R. 9729, on census; and H. R. 9730, to correct obsolete references. (pp. 14411-3, 14341-65.) These bills will now be sent to the President.

3. FORESTRY. Concurred in the Senate amendment to H. R. 1254, to authorize 30-year leases of national-forest and other Federal lands for public purposes (p. 14325). This bill will now be sent to the President.

4. TRANSPORTATION. Passed without amendment S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act (p. 14334).

This bill will now be sent to the President.

5. RECLAMATION. Agreed to a Senate amendment to H. R. 2235, authorizing the Santa Maria project, Calif., with an amendment (p. 14326). The Senate later agreed to the House amendment to the Senate amendment (p. 14454). This bill will now be sent to the President.

6. INVESTIGATIONS. Agreed to, without amendment, H. Res. 161, authorizing the Agriculture Committee to investigate matters within its jurisdiction outside the U. S. (p. 14324).

7. WATER COMPACT. Discussed S. 2821, consenting to an interstate compact regarding Missouri Basin waters, but Rep. Saylor objected to its consideration at this session (pp. 14331-2).

8. FARM LABOR. Discussed S. 2862, to permit immigration of certain sheepherders, but Rep. Celler objected to its passage (pp. 14365-7).

9. CCC AUDIT. Received from the Acting Comptroller General an audit report on CCC for 1953 (H. Doc. 494)(p. 14383). The report was also received in the Senate (p. 14387).

10. ASC COMMITTEES. Rep. Jones, Mo., criticized the Secretary's position regarding limitation of the terms of committeemen and stated that such a limit should not be continued regarding community committeemen (p. 14380).

SENATE

11. DROUGHT RELIEF. Sens. Johnson, Tex., and Morse criticized administration of the drought-relief program (p. 14389).

12. PERSONNEL; POSTAL RATES. Began debate on H. R. 7774, agreeing that the committee amendment (in the nature of a substitute), providing for a 5% pay raise for Federal employees (with a minimum of $170 a year and a maximum of $480), would be considered as the original text of the bill and would be subject to amendment on the floor. It is expected that Sen. Knowland will propose an amendment providing for a 3½% pay increase for classified employees, a 5% increase for postal employees, and increases in postal rates. The text of the Knowland amendment (as well as the committee recommendation) is in the Record, and he also inserted a brief explanation and the estimated cost of the group life insurance program, the Whitten amendment modification, the incentive-awards program, repeal of the annual-leave provision, etc. (pp. 14470, 14480-3, 14486-9.)

13. ELECTRIFICATION. The Public Works Committee reported with amendments S. 2599, to authorize development of Niagara River power (S. Rept. 2501)(p. 14837).

14. TRANSPORTATION. Agreed to the conference report on H. R. 2236, to establish a metropolitan area transit commission and a Commission on Area Problems for the D. C. area (pp. 14430-4).

15. RECLAMATION. Began debate on S. 1555, to authorize the upper Colo. River project, and agreed to the committee amendment in the nature of a substitute (pp. 14413-23, 14462-4, 14467-70).

16. PRICE SUPPORTS. Sen. Aiken inserted a newspaper editorial claiming that

83D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No.2671

MUTUAL SECURITY APPROPRIATION BILL, 1955

AUGUST 19, 1954.—Ordered to be printed

Mr. TABER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 10051]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 16, 18, 27, 29, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 10, 13, 19, and 30, and agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *and in addition, unobligated balances of the appropriation under the head "Civilian Relief in Korea" in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation*; and the Senate agreed to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$105,000,000*; and the Senate agree to the same:

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert *and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants": Provided, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$12,500,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$1,175,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$32,500,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *and except that this prohibition shall not apply to employees receiving salaries in excess of $12,000 as the result of general pay raise legislation enacted during the fiscal year 1955, nor to not to exceed six employees assigned to the administration or implementation of the program authorized by section 132 of the Mutual Security Act of 1954*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate, numbered 28, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment amended to read as follows:

Sec. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President or an official of Cabinet rank designated by

him determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the lease to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

And the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

Sec. 112. Not to exceed $30,000 of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954.

And the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *113*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 9, 12, 22, 23, 25, 26, 31, 32, and 33.

JOHN TABER,
R. B. WIGGLESWORTH,
H. CARL ANDERSEN,
IVOR D. FENTON,
GERALD R. FORD, JR.,
J. VAUGHAN GARY,
JOHN J. ROONEY
OTTO E. PASSMAN,
CLARENCE CANNON,
Managers on the Part of the House.

STYLES BRIDGES,
HOMER FERGUSON,
GUY CORDON,
LEVERETT SALTONSTALL,
EVERETT M. DIRKSEN,
CARL HAYDEN,
PAT MCCARRAN,
DENNIS CHAVEZ,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effeet of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

MUTUAL SECURITY

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Reported in disagreement.

Amendment No. 3: Reported in disagreement.

Amendment No. 4: Appropriates $60,000,000 for "common-use items" as proposed by the Senate instead of $64,000,000 as proposed by the House.

Amendment No. 5: Inserts section number reference.

Amendment No. 6: Appropriates $80,098,195 for "Defense support, Far East and the Pacific", as proposed by the Senate instead of $86,000,000 as proposed by the House.

Amendment No. 7: Appropriates $205,000,000 for the "Korean Program" as proposed by the Senate in lieu of $200,000,000 as proposed by the House.

Amendment No. 8: Inserts Senate language earrying forward unobligated balanees for "Civilian Relief in Korea."

Amendment No. 9: Reported in disagreement.

Amendments Nos. 10 and 11: Change seetion number reference and appropriate $105,000,000 for "Teehnieal eooperation, general authorization", instead of $100,000,000 as proposed by the House and $110,000,000 as proposed by the Senate.

Amendment No. 12: Reported in disagreement.

Amendment No. 13: Changes seetion number referenee.

Amendments Nos. 14 and 15: Appropriate $10,000,000 for "Contributions to the Intergovernmental Committee for European Migration" as proposed by the House instead of $10,600,000 as proposed by the Senate; restore House language on unobligated balanees; and insert Senate limitation, in modified form, relating to seeurity elearanee on migrants to the Western Hemisphere.

Amendment No. 16: Strikes out Senate language appropriating $400,000 for "Contributions to the United Nations refugee emergeney fund".

Amendment No. 17: Appropriates $12,500,000 for "Contributions to the United Nations ehildren's fund" instead of $12,000,000 as proposed by the House and $13,500,000 as proposed by the Senate.

Amendment No. 18: Restores language of the House relative to carryover of unobligated balances for "Contributions to the United Nations Relief and Works Agency".

Amendment No. 19: Appropriates $1,169,000 for "Contributions to the North Atlantic Treaty Organization" instead of $3,169,000 as proposed by the House.

Amendment No. 20: Appropriates $1,175,000 for "Control Act expenses" instead of $1,075,000 as proposed by the House and $1,300,000 as proposed by the Senate.

Amendment No. 21: Appropriates $32,500,000 for "Administrative expenses" instead of $30,000,000 as proposed by the House and $34,700,000 as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Reported in disagreement.

Amendment No. 24: Includes language inserted by the Senate exempting certain employees from the $12,000 salary limitation carried in the bill, with modification.

Amendment No. 25: Reported in disagreement.

Amendment No. 26: Reported in disagreement.

Amendment No. 27: Restores House language relating to transportation of commodities on United States vessels.

Amendment No. 28: Restores House language restricting offshore procurement, with modification.

Amendment No. 29: Changes section number.

Amendment No. 30: Authorizes obligation of 25 percent of funds in the bill during the last 2 months of the fiscal year as proposed by the Senate instead of 20 percent as proposed by the House.

Amendment No. 31: Reported in disagreement.

Amendment No. 32: Reported in disagreement.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Inserts Senate language prohibiting use of funds for facilitation and encouragement of travel, modified to limit such expenditures to $30,000.

Amendment No. 35: Eliminates language inserted by the Senate relative to transportation of commodities on United States vessels.

Amendment No. 36: Changes section number.

JOHN TABER,
R. B. WIGGLESWORTH,
H. CARL ANDERSEN,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY,
OTTO E. PASSMAN,
CLARENCE CANNON,
Managers on the Part of the House.

○

tion Board has no objection to the bill in its present form. A detailed explanation of the bill follows:

Section 1 of the bill extends the renegotiation authority for 1 year, to December 31, 1954. Unless the Renegotiation Act is extended, amounts received or accrued by defense contractors and subcontractors during 1954 will not be subject to renegotiation and the Government will not be adequately protected against payment of excessive prices in the execution of the national defense program. Under the bill, renegotiation will not be applicable to receipts or accruals attributable to performance after December 31, 1954.

Section 2 of the bill raises the minimum amount subject to renegotiation from $250,000 to $500,000 (the House bill had made no change in this minimum) with respect to fiscal years ending on and after June 30, 1953. This Senate amendment has the approval of the Renegotiation Board, since it will permit the Board to concentrate on the larger cases, and therefore facilitate administration of the act. The number of filings has been about 40,000 for each of the calendar years 1951 and 1952. Filings for 1953, normally due on April 1, 1954, were postponed by the Board due to pending legislation.

Section 3 of the bill amends section 106 (a) (6) of the act, relating to mandatory exemptions. The House bill made it clear that there should be exempt from renegotiation, contracts with the Reconstruction Finance Corporation for materials and services to be used in the manufacture and sale of synthetic rubber to the etxent that such materials or services are required for the manufacture of synthetic rubber for sale thereof to a private person or private persons for nondefense purposes. The Board concurs in the desirability of this provision and has already caused a directive to be issued to that effect. The Senate made no change in this House amendment.

Section 4 of the bill relates to the relief provided for in section 106 (c) of the act for durable productive equipment. Under the existing law certain special relief was granted for new durable productive equipment with respect to subcontracts. The House bill extends this relief to prime contracts direct with the Government. The Senate amendment denies this relief in the case of contracts with the Government in instances where the Board finds that the new durable productive equipment covered by such contract cannot be adapted, converted, or retooled for commercial use. The Board has approved this amendment.

Section 5 of the bill deals with an exemption for standard commercial articles. As the Senate has amended this provision, it is required, first, that the specific finding be made as to "excessive profits" instead of "excessive prices"; second, that the contractor or subcontractor file information with the Board containing sufficient data to enable the Board to make such a finding; and third, that if within 6 months after the date such information is filed the Board does not make a specific finding that competitive conditions affecting the sale of such article are such as will not reasonably prevent excessive profits, the exemption will apply. Under the bill the Board may make a specific finding without waiting for the expiration of such 6 months' period. The section applies only to amounts received or accrued by a contractor or subcontractor after December 31, 1953. The definition of standard commercial articles has also been rewritten to make it easier for the Board to determine whether an article should be classed as a standard comercial article.

Section 6, which is a Senate amendment, gives the Renegotiation Board discretionary authority to exempt from renegotiation contracts for space or commodity transportation on ships if the Board finds that the regulatory aspects of the rates charged are such as to indicate in the opinion of the Board that excessive profits are improbable. This amendment applies only to fiscal years ending on or after December 31, 1953. There was no comparable provision in the House bill.

Section 7 gives the Board authority to set aside and declare null and void any renegotiation agreement if, upon a request made to the Board within 3 years from the date of such agreement, the Board finds as a fact that the aggregate of the amounts received or accrued by the other party to such agreement during the fiscal year covered by such agreement was not more than the minimum amount subject to renegotiation for such year. Thus, if the Board had renegotiated amounts below the $250,000 minimum limit now in the law, such renegotiation could be set aside. There was no comparable provision in the House bill.

Section 8 extends until March 23, 1955, the time within which the United States can be substituted for the World War II Contract Price Adjustment Board in suits before the Tax Court. It further provides that if any such case has been dismissed by any court for failure to substitute the War Contracts Price Adjustment Board prior to the effective date of this sentence, such case is hereby revived and reinstated in such court as if it had not been dismissed. There was no comparable provision in the House bill.

I am advised that the Renegotiation Board has no objection to the bill in its present form.

Mr. COOPER. Mr. Speaker, as H. R. 6287 passed the House it extended for 1 year the application of our renegotiation law. It also provided that the purchase of materials for the production of synthetic rubber under contracts with the Reconstruction Finance Corporation would be subject to renegotiation only where those purchases have a connection with defense; extended the treatment now provided for subcontractors for durable-productive equipment to prime contractors; and added a permissive exemption in the case of standard commercial articles.

The Senate amendments raised the minimum amount subject to renegotiation from $250,000 to $500,000 with respect to fiscal years ending on or after June 30, 1953. The Senate accepted the House amendment extending the same treatment to prime contractors in the case of durable-productive equipment that is now given to subcontractors, but added an amendment denying special treatment in the case of durable-productive equipment in the case of contracts with the Government where the Renegotiation Board finds that the new durable-productive equipment involved in the contracts cannot be adapted, converted, or retooled for commercial use.

Instead of providing for a permissive exemption in the case of standard commercial articles, as provided in the House bill, the Senate amendment made the exemption mandatory unless the Board finds that competitive conditions affecting the sale of such articles will not reasonably protect the Government from excessive profits. As a part of this amendment, the Senate would require that a contractor or subcontractor file sufficient information with the Renegotiation Board to make such a finding, and if within 6 months after such information is filed the Board does not make a specific finding that competitive conditions affecting the sale of such articles are such as will not reasonably prevent excessive profits, the exemption will apply. The Senate also rewrote the definition of "standard commercial articles." These amendments are effective as to amounts received or accrued by a contractor or subcontractor after December 31, 1953.

Another Senate amendment gives the Renegotiation Board discretionary authority to exempt from renegotiation contracts for space or commodity transportation on ships if the Board finds that the regulated rates charged are such as to indicate, in its opinion, that excessive profits are improbable. This amendment applies to fiscal years ending on or after December 31, 1953.

The Senate also added a provision giving the Renegotiation Board authority to set aside and declare null and void any renegotiation agreement if a request is made to the Board within 3 years from the date of an agreement and the Board finds as a fact that the aggregate of the amounts received or accrued by the other party to the agreement during the fiscal year which the agreement covers was not more than the minimum amount subject to renegotiation for such year.

The Senate also extended until March 23, 1955, the time within which the United States can be substituted for the World War II Contract Price Adjustment Board in suits before the Tax Court. The Senate also provided that if any such case has been dismissed by a court for failure to substitute the War Contracts Price Adjustment Board prior to the effective date of this change, such case will be revived and reinstated as if it had not been dismissed.

The SPEAKER. Is there objection to the request of the gentleman from New York that the Senate amendments be concurred in?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

APPROPRIATIONS FOR MUTUAL SECURITY

Mr. TABER submitted the following conference report and statement on the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2671)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 16, 18, 27, 29, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 10, 13, 19, and 30, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "and in addition, unobligated balances of the appropriation under the head 'Civilian Relief in Korea' in the Department of Defense Appropriation Act, 1954, are continued available for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$105,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken and inserted by said amendment insert "and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants": *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$12,500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,175,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$32,500,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "and except that this prohibition shall not apply to employees receiving salaries in excess of $12,000 as the result of general pay raise legislation enacted during the fiscal year 1955, nor to not to exceed six employees assigned to the administration or implementation of the program authorized by section 132 of the Mutual Security Act of 1954"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows:

"Sec. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President or an official of Cabinet rank designated by him determines that such procurement will not result in one or more of the following conditions:

"(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

"(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the lease to potential enemies of information detrimental to the security of the United States;

"(3) Unjustifiable cost in comparison with procurement in the United States; and

"(4) Delays in delivery incompatible with United States defense objectives."

And the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 112. Not to exceed $30,000 of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "113"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 9, 12, 22, 23, 25, 26, 31, 32, and 33.

JOHN TABER,
R. B. WIGGLESWORTH,
H. CARL ANDERSEN,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY,
OTTO E. PASSMAN,
CLARENCE CANNON,
Managers on the Part of the House.

STYLES BRIDGES,
HOMER FERGUSON,
GUY CORDON,
LEVERETT SALTONSTALL,
EVERETT M. DIRKSEN,
CARL HAYDEN,
PAT MCCARRAN,
DENNIS CHAVEZ,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

MUTUAL SECURITY

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Reported in disagreement.

Amendment No. 3: Reported in disagreement.

Amendment No. 4: Appropriates $60,000,000 for "common-use items" as proposed by the Senate instead of $64,000,000 as proposed by the House.

Amendment No. 5: Inserts section number reference.

Amendment No. 6: Appropriates $80,098,195 for "Defense support, Far East and the Pacific", as proposed by the Senate instead of $86,000,000 as proposed by the House.

Amendment No. 7: Appropriates $205,000,000 for the "Korean Program" as proposed by the Senate in lieu of $200,000,000 as proposed by the House.

Amendment No. 8: Inserts Senate language carrying forward unobligated balances for "Civilian Relief in Korea."

Amendment No. 9: Reported in disagreement.

Amendments Nos. 10 and 11: Change section number reference and appropriate $105,000,000 for "Technical cooperation, general authorization", instead of $100,000,000 as proposed by the House and $110,000,000 as proposed by the Senate.

Amendment No. 12: Reported in disagreement.

Amendment No. 13: Changes section number reference.

Amendments Nos. 14 and 15: Appropriate $10,000,000 for "Contributions to the Intergovernmental Committee for European Migration" as proposed by the House instead of $10,600,000 as proposed by the Senate; restore House language on unobligated balances; and insert Senate limitation, in modified form, relating to security clearance on migrants to the Western Hemisphere.

Amendment No. 16: Strikes out Senate language appropriating $400,000 for "Contributions to the United Nations refugee emergency fund".

Amendment No. 17: Appropriates $12,500,000 for "Contributions to the United Nations children's fund" instead of $12,000,000 as proposed by the House and $13,500,000 as proposed by the Senate.

Amendment No. 18: Restores language of the House relative to carryover of unobligated balances for "Contributions to the United Nations Relief and Works Agency".

Amendment No. 19: Appropriates $1,169,000 for "Contributions to the North Atlantic Treaty Organization" instead of $3,169,000 as proposed by the House.

Amendment No. 20: Appropriates $1,175,000 for "Control Act expenses" instead of $1,075,000 as proposed by the House and $1,300,000 as proposed by the Senate.

Amendment No. 21: Appropriates $32,500,000 for "Administrative expenses" instead of $30,000,000 as proposed by the House and $34,700,000 as proposed by the Senate.

Amendment No. 22: Reported in disagreement.

Amendment No. 23: Reported in disagreement.

Amendment No. 24: Includes language inserted by the Senate exempting certain employees from the $12,000 salary limitation carried in the bill, with modification.

Amendment No. 25: Reported in disagreement.

Amendment No. 26: Reported in disagreement.

Amendment No. 27: Restores House language relating to transportation of commodities on United States vessels.

Amendment No. 28: Restores House language restricting offshore procurement, with modification.

Amendment No. 29: Changes section number.

Amendment No. 30: Authorizes obligation of 25 percent of funds in the bill during the last 2 months of the fiscal year as proposed by the Senate instead of 20 percent as proposed by the House.

Amendment No. 31: Reported in disagreement.

Amendment No. 32: Reported in disagreement.

Amendment No. 33: Reported in disagreement.

Amendment No. 34: Inserts Senate language prohibiting use of funds for facilitation and encouragement of travel, modified to limit such expenditures to $30,000.

Amendment No. 35: Eliminates language inserted by the Senate relative to transportation of commodities on United States vessels.

Amendment No. 36: Changes section number.

JOHN TABER,
R. B. WIGGLESWORTH,
H. CARL ANDERSEN,
IVOR D. FENTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY,
OTTO E. PASSMAN,
CLARENCE CANNON,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I call up the conference report on the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman from New York will take some time to explain the conference report.

Mr. TABER. We will.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

Mr. TABER. Mr. Speaker, I yield myself 25 minutes.

Mr. Speaker, the committee on conference presents herewith the conference report on the mutual security appropriation bill.

There are some things in the conference report with which I am not particularly pleased, but in order to get an agreement and get the matter cleaned up so the Congress may complete its business it was necessary to make some concessions. On the other hand, I am pleased that the final bill is $777,057,738 below the estimates submitted by the Bureau of the Budget.

The final bill is $35 million above the amount that was carried in the bill as it passed the House. It is something in the neighborhood of $128 million, as I figure it, below what it was when it passed the Senate.

There is an item inserted by the Senate about which I do not feel we can state there was a cut. It is the $200 million item made continuously available for use by the Department in connection with far eastern matters. The $200 million already existed in the form of materiel and was already over in Indochina, and I do not believe the language we carried about it was necessary.

In this connection I wish to say that the House Members of the conference committee all worked diligently in trying to bring about a satisfactory result. There was much language that had been inserted that would have cost a great deal of money, and I believe the final draft of the bill we have brought back to the House is going to save the taxpayers a lot of money that otherwise might be wasted.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. The bill is $35 million above the House bill; is that correct?

Mr. TABER. Yes, approximately.

Mr. GROSS. Can the gentleman give us in a brief way some of the expenditures involved in this $35 million?

Mr. TABER. Yes. There is one item that I do not like of $9 million for this technical assistance setup under the United Nations. There is also an item of $35 million for production for forces support to be handled through surplus United States agricultural products. That is really for the promotion of the jet aircraft industry in connection with such things as the Canberra bomber jet engine and some of the new fighting planes. Some of those things are being used by our Navy and our Air Force and they are quite valuable.

There were some cuts made by the Senate that we agreed to. There was $4 million for common-use items, and there was a reduction of almost $6 million in defense support for the Far East and the Pacific. There was an increase of $5 million for the Korean program and there was an increase of $1 million above the House figure in connection with the United Nations Korean Reconstruction Agency. We threw out an item for the starting of another refugee emergency agency under the United Nations.

Mr. GROSS. Then the $9 million goes to finance this shopworn, demonstratably unproductive point 4 program through the United Nations; is that correct?

Mr. TABER. That is correct.

Mr. GROSS. Was any evidence given the conferees as to how much United States military equipment in Indochina is going to be salvaged by the United States?

Mr. TABER. We had evidence, yes, but we could get no positive statement as to the exact amount because no one can tell until it is out. They claim that they are in the process of getting everything out that they can and that every facility they have available is being turned in there for that purpose.

Mr. GROSS. The gentleman expects the United States will take a tremendous loss; does he not?

Mr. TABER. I expect a great deal of it will be lost or ruined.

Mr. GROSS. And already gone, to the Communists as a matter of fact?

Mr. TABER. I think a considerable amount of it has.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I should like to ask the chairman of the Committee on Appropriations if there has been any change made in the manner of handling the obligated amounts. The testimony was that there was $7.3 billion which was obligated. Has there been any change and do those have to be firm contractual obligations as of June 30?

Mr. TABER. Under the provisions of section 1311 of the supplemental bill that was sent to the White House yesterday, their obligations will have to be firmed up. Frankly, I expect that in the neighborhood of $2 billion to $2.5 billion of those reported obligations will evaporate.

Mr. LAIRD. There is no change that would extend that obligating authority, so far as this conference report is concerned, if they are not firm contracts on June 30?

Mr. TABER. There is in one of the amendments that will come up. But that can be done only by the certificate of the Secretary of Defense and only on individual items amounting to $5 million and above. That is required for the maintenance of the operations. Nothing that is not in the bill as a reobligation can otherwise be preserved unless it complies with section 1311.

Mr. LAIRD. Then a letter of intent would be ruled out, would not be a firm contract on June 30?

Mr. TABER. It would not.

In this connection I would like to make a further statement to make the RECORD clear: As to the amount to be made available in the single account from amounts certified under section 1311, it is obvious that this amount cannot definitely be known until the final report under section 1311 is rendered—probably in December 1954. In the meantime, of course, there will be no interruption of business as all work now in progress will continue. Apparent obligations outstanding on June 30, 1954, which do not meet the test of section 1311 on June 30, 1954, may be reobligated, if in accord with law, against the 1955 account.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BOW. Will my chairman advise concerning the amendment which was adopted by the House which would have required the submission under section 1415 of the Supplemental Act of 1953 of those funds which are the result of the sale of surplus commodities?

Mr. TABER. An amendment to that was agreed upon which would permit the use of foreign currency only for those things for which the funds generating the foreign currency were appropriated.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. FORD. For the benefit of the gentleman from Ohio [Mr. Bow], I can read to him the agreed-to language which is in substitution of that which was contained in the House bill. It is as follows:

And hereafter foreign currency generated under the provisions of this act shall be

utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated—

And then in parentheses—

(except as specifically provided in sec. 109 of this act)—

That is the one pertaining to Spain.

Mr. BOW. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. BOW. Under the provision adopted in conference, can they transfer these funds to offset any of the cuts that were made by the House in this bill? Can they make that up by a transfer of funds?

Mr. TABER. I do not see how they can.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JUDD. Mr. Speaker, I judge from the language read by our colleague the gentleman from Michigan [Mr. FORD] that only the foreign currencies generated by the sale of surplus commodities authorized under this act and the Mutual Security Act that we recently passed, are covered by the limitation. The foreign currencies derived from the sale of agricultural commodities under section 550 of last year's bill can be used in accordance with the agreements that were entered into under section 550, so that this language is not retroactive. Is that correct?

Mr. FORD. The answer to the gentleman's question is "Yes." The proviso is not retroactive.

Mr. JUDD. I thank the gentleman.

Mr. FORD. Furthermore, the language here docs not destroy the effectiveness of the agricultural surplus disposal program in that it does not require paying for the commodity twice.

Mr. JUDD. I congratulate the conference committee on adopting that proviso, because I am sure it is substantially what was intended before but the desired result was not quite accomplished by the original language, in my opinion.

Mr. FORD. At the same time, however, it pins down where these currencies may be used and how they will show up in the purchase or the use of surpluses in certain countries.

Mr. JUDD. Yes, and I approve that. You seem to have done precisely what I was trying to do when this appropriation bill was being debated originally. We could not agree on language that would do it exactly. The new proviso does not require buying the foreign currency twice, and it does not upset last year's agreements by being retroactive. That is exactly what we wanted.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BROWN of Ohio. As the gentleman well knows, practically every committee, group, or individual that has gone overseas to investigate spending under our foreign-aid program has reported back that there has been great waste and extravagance. For that reason, many of us have voted against these appropriations in recent years. I make that statement in order to ask this question: Has the gentleman's committee any means, or methods, or arrangements to check up on the spending of this money which is being appropriated by this bill, the actual spending of it and the method and the way it is spent?

Mr. TABER. We are doing everything we can to that end. We had two men over in Europe for about 2 weeks just around the time that the bill passed the House, and we had the benefit of what they found when we came in here. What the gentleman says is very largely correct. In order to get a settlement we had to agree to too much money for their administrative expenses. There is, as I understand it, a transfer of something like $13 million out of $30-odd million that is carried for administrative expenses for the State Department.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Maine.

Mr. HALE. I note a reduction of $6 million in the item for "Defense Support, Far East and the Pacific." That reduction is a little surprising to me at this time. I wonder if the gentleman would comment on it.

Mr. TABER. As I understand, that was the authorization figure.

Mr. HALE. That was the authorization in the Senate. Why did the conferees change it?

Mr. TABER. It is the authorization figure in the authorization bill, as I understand it.

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. DAVIS of Wisconsin. I wanted to take this time to explain, as the one conferee not to sign this conference report, that my failure to do so is not based in any sense on criticism of the job the House conferees did within the limits of the give and take that was possible in the final form of this measure. However, I certainly do want to call the attention of my colleagues to that one particular provision of the conference report which provides a $55 million grant to Spain, all of which is to be derived through the transfer of surplus commodities now available to the Government of the United States.

I do not object to that program, but I do object to the proviso which remains in the conference report that a major share of this money must be earmarked and must be used only for the development of the civilian economy of Spain. After giving away our money for these many years to various countries throughout the world, when it came time to work out an agreement with Spain, for the first time we got some firm commitment as to what we could do by way of developing our military facilities in that country; and that agreement provided that a large percentage of the counterpart funds to be derived through our economic assistance to Spain was to be made available for the development of the Air Force and naval installations of the United States in accordance with the agreement that has been made there. And we were happy with that agreement. For the first time, we had a right to go in for a fixed period. For the first time, we were getting something by way of a contribution of the country in which the installations were to be placed. By this one provision, which appears in this conference report, you have given up all that, and you have said, "No, forget about the treaty, forget about the concessions, forget about the quid pro quo we got from the Spanish Government—just go ahead and be sure that we give 80 percent of all this money for the development of the civilian economy of Spain." I think that is wrong. I think the conferees in that respect were blackjacked in the conference and that is one of the specific reasons that I am in opposition to this conference report.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WALTER. I wonder whether or not the language in amendment No. 15 was intended to in anywise affect the constitution of the Intergovernmental Committee for European Migration, specifically paragraph 2 of article 1?

Mr. TABER. The language there, as it appears in the bill, has been changed so that, instead of requiring the standards contained in the Immigration and Nationality Act, it will require reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Mr. WALTER. In other words, this language was not intended to modify or repeal the constitution of this organization of which we are a part.

Mr. TABER. That is correct.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CELLER. As I read the amendment which appears on page 2 of the conference report, the language in my mind and in my estimation amounts to an admonition, if not an order, to governments in the Western Hemisphere receiving migrants from Europe to provide screening and security regulations similar to our own. Can we in good conscience and with good morals, having in mind our relations with South American countries and Canada, go that far so as to say that no moneys appropriated for the Intergovernmental Committee for European Migration shall be used to assist directly the migration of European refugees to the Western Hemisphere? Can we do that or should we do that?

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia to answer that question.

Mr. GARY. The Senate amendment reads as follows:

Provided, That no funds appropriated in this act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on standards comparable to those standards contained in the United States Immigration and Nationality Act.

The House conferees felt that would force other nations to adopt our standards, which was going too far. Therefore, we modified that language to strike out any reference to any particular standards. The amendment now reads:

Provided, That no funds appropriated in this act shall be used to assist directly in

the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Certainly we are against Communist infiltration in the Western Hemisphere. There is no reason why we should contribute to any organization that is not willing to adopt reasonable standards to insure against such infiltration. In reply to the question of the gentleman from Pennsylvania [Mr. WALTER], rather than modifying the language of the constitution of the organization, this language will strengthen it and will permit them to adopt any reasonable standards in screening these immigrants to the Western Hemisphere.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WALTER. I should like to call attention to the fact that the countries, including Brazil and Canada, of course, which are the principal receiving countries, have very strong screening processes. I want to congratulate the conference committee on deleting the language that was in the original Senate amendment because I am sure it offended those nations. This language certainly cannot be construed as being offensive.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. The situation was such that not only would the original Senate language have offended the nations mentioned by the gentleman from Pennsylvania [Mr. WALTER], but the voluntary and church organizations which are concerned with this important program were alarmed about it. I believe the language in the conference report now before us for approval will be satisfactory to all concerned.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CELLER. I am not objecting to what you or your colleagues on the conference have done. You have done a good job. I do not think you could have done any better. I am simply raising this question so Members may know exactly what they are approving. In my humble opinion, it would have been far better had there been no such provision in the conference report. It is there. We have to make the best of a bad bargain, in my opinion. I do not think we have a right, no matter how meritorious the demand may be—I do not think we have a right to say to a sovereign nation of the Western Hemisphere that "you cannot take any immigrants unless you specify certain standards which we, by legislative fiat, lay down."

Mr. TABER. We do not intend to lay down standards. All we ask is reasonable standards; and I am satisfied that they are going to be provided by any of those countries that have any substantial immigrants.

Mr. GARY. The situation is that the organization itself will prescribe the standards and, so long as they are reasonable, they will comply with this provision of the bill.

Mr. TABER. That is correct.

Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, by way of summary at this point may I ask the gentleman from New York to give us the total amount of the estimates submitted to the Congress.

Mr. TABER. Six billion twenty million six hundred and thirty-three thousand five hundred and thirty-three dollars including new money of $3,438,549,805.

Mr. CANNON. And what change was made in that figure by the Senate amendments?

Mr. TABER. The way the Senate amendments have been reported by the clerks they raised it to $5,572,338,544, of which $2,790,824,816 is new money.

Frankly, I think there is a difference of $200 million in the figures, due to a cut of $200 million in new money on the Senate floor without a corresponding cut in the obligation total carried in the bill for military assistance.

The final amount as brought back by the committee on conference is $5,243,575,795, including new money of $2,781,499,816.

The amount below the original budget estimates is $777,057,738, of which $657,049,989 is against the new money.

Mr. CANNON. Will the gentleman also give us the amount carried by the conference report assuming that the recommendations made by the committee in the amendments still in disagreement will be favorably acted upon.

Mr. TABER. That is the $5,243,575,795 figure I just mentioned.

Mr. CANNON. The total amount would then be how much?

Mr. TABER. The total of the conference committee is $5,243,575,795. It is $35,155,816 above the House bill.

Mr. CANNON. And will the gentleman advise us as to what appropriations in this bill as brought back from the conference are in excess of similar items in the 1954 bill? That is, are there any items in here for 1955 which are in excess of similar items for 1954?

Mr. TABER. The only ones which are larger than last year, and the increases are small, are: development assistance, American Republics; the several items under technical cooperation; the funds for the Intergovernmental Committee for European Migration; the United Nations' children's fund; and the item for Control Act expenses.

Mr. CANNON. And will the gentleman tabulate in his remarks the items in the pending bill that do not appear in the current appropriations?

Mr. TABER. I do not think there is anything really new outside of perhaps the item for special assistance in joint control areas, although we have been spending money in previous years in some of the areas included in that item.

There is one other item that is above last year: Administrative expenses allowed are above what I understand the figure actually was for last year. But I did not like that, and the gentleman from Missouri did not like it any better than I. We had to take it in order to get an agreement.

Mr. CANNON. The gentleman is correct in that assumption.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Virginia.

Mr. GARY. The Senate conferees on the other hand insisted that the amount allowed here was less than the expenditures of last year.

Mr. TABER. Yes, that is true, but in testimony before our committee they said that they had spent about a million and a quarter less money than the amount carried in the conference report.

Mr. GARY. I just wanted to call the gentleman's attention to the discrepancy in the figures. According to the figures submitted to our committee we had allowed them more money for this item than they had last year, but according to the Senate conferees the figures submitted to them showed greater expenditures last year than we were allowing.

Mr. TABER. We ran into trouble like that all the way through. They gave our staff 3 different stories as to the amount of the obligations in 1 single day.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Ohio.

Mr. VORYS. May I ask the conferees if the language which was first proposed by the House committee defining what is meant by an obligated balance is retained in this legislation?

Mr. TABER. It is with a single exception of certain items that should be certified when review of the obligations is made and finally reported on. There is provision that the Secretary of Defense might permit a completion of an obligation that related to a contract of $5 million or above if it is in the national interest. But that is the only way in which there is any waiver of the provisions of section 1311 in the supplemental bill.

Mr. VORYS. Was the language retained which would require the same definition of obligations to be used in supplying reports to all committees in Congress?

Mr. TABER. It was. And we are hoping in some way or other that the organization may be persuaded to keep its books so they will know where they are at in the future and be able to tell your committee and our committee the truth.

Mr. VORYS. I join in that fervent hope and I congratulate the committee.

Mr. CANNON. Mr. Speaker, I take this opportunity to congratulate the distinguished gentleman from New York, chairman of the Committee on Appropriations, on the conclusion of this long and intricate bill and the appropriation program for the 83d Congress.

Mr. TABER. I thank the gentleman.

The SPEAKER pro tempore (Mr. ALLEN of Illinois). The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I believe the enlightened self-interest of the United States requires us

to make national sacrifices in order to maintain strong and free allies. I believe in the basic premise of the mutual security program, as stated by President Eisenhower, that "there can be no safety for any of us except in cooperative efforts to build and sustain the strength of all free peoples."

I voted, therefore, for the Mutual Security Act of 1954, the bill authorizing this program. It was legislation necessary to keep the mutual security program in operation. It was legislation which provided comprehensive, basic legislation to replace the existing patchwork of statutes relating to foreign aid. It was legislation needed to carry out a program which I believe we must have if we are to meet the Soviet threat, if we are to strengthen countries where we have bases and make those bases secure, if we are to keep the free world free from Soviet domination and if we are to strengthen our ties with the underdeveloped nations of the Middle East and southeast Asia.

I consider the objectives of this program to be of such importance to the people of the United States that I am willing to vote for sacrifices we must make, in treasure and effort, to sustain the program. Without such a program, our national security would be seriously weakened.

I cannot support this program, however, on a blank-check, sky-is-the-limit basis. Our fiscal situation is too precarious, the tax burden on our people is too high, and our patience with reluctant allies too thin to permit the expenditure of vast sums of money and vast quantities of raw materials without the most careful study and justification. This program will collapse on the rocks of an aroused public opinion unless we get a dollar's worth of security for every dollar spent.

It was these considerations which led to my vote against this appropriation bill when it was first passed by the House.

I was struck by the shocking report of the Appropriations Committee on the validity of outstanding obligations for this program. FOA estimates that its unexpended balances are $9.979 billion, with $7.397 billion reported as obligated or contracted for, and $2.582 billion unobligated and available for use in this fiscal year.

The committee, however, raised serious questions concerning the validity of the obligated funds. It said:

> It has already been determined that questionable practices, involving substantial sums, are being followed in the classification and recording of transactions as obligations. They range all the way from clerical errors ($47,800,000) to amounts exceeding limitations stated in letters of intent not yet converted to definitive contracts. Substantial sums are included for lump-sum contingent amounts contained in contracts for spares, spare parts, engineering changes, and the like, for which there are no definitized orders and which appear to amount in effect to nothing more than an administrative reservation of funds against possible future purchases. Contracts entered into in 1951 and earlier years, practically dormant for many months, are also included. There are other categories of questionable firmness such as canceled orders not yet removed from the books, excessive cost estimates, lower stock prices promulgated subsequent to the original requisitions—

And so forth. The net effect of this situation is that FOA has available to it vast sums, which can only be estimated, which are listed by it as spent or obligated but which, in fact, are unobligated. I am advised that they have about $2 billion of funds in this category. The real need of this agency for new appropriations is unknown. Because of this gross negligence, Congress has been forced to appropriate in the dark, to issue a blank check. I for one just will not tolerate doing business that way.

Furthermore, this bill, as it passed the House, appropriated to southeast Asia for direct forces support $712 million. Direct forces support finances the provision of specific supplies, equipment, and services which go directly into the hands of, or otherwise immediately benefit military forces, in the words of the committee report. This sum was originally planned for the support of the French forces in Indochina. Yet, when the bill was reported, the Indochina war was over. The only justification for these funds now made is the contention that they will be needed for other purposes in this general area now that the war is over. What these other purposes are and their detailed cost is not revealed. This is scarcely the kind of careful and diligent scrutiny which should be given to the appropriation of close to a billion dollars of the taxpayers' money.

For these reasons, I could not, in good conscience, support the appropriation bill, and I cast my vote against it.

We now have the conference report on the appropriation bill before us. This report is extremely disappointing.

Instead of evidencing a greater concern for the taxpayers' money and a determination that we will get full value for the money appropriated, the bill as it came from conference is even more liberal than it was when it passed this House.

I must vote against this conference report and hold to the position I took early in voting against the bill when it first passed the House. That position is that although we cannot afford to neglect the need for cooperation and mutual assistance among the free nations of the world, neither can we afford to spend our wealth blindly. This bill is too full of loose ends, unevaluated items of expenditures, and downright waste to merit the support of this Congress.

One parting thought, Mr. Speaker. When we consider appropriations for those agencies of our Government that administer to the domestic needs of our people, we demand the most exacting accountability and justification for the money appropriated. This is as it should be. But why should we not demand just as high a degree of frugality of that agency whose concern is with assisting foreign peoples and foreign governments? In my view, we should be more exacting in our relationship with this program than we are with our domestic programs and unless we are, the whole program will collapse and our economy collapse with it.

I shall vote against that report.

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I wish to point out certain items contained in this conference report. First, with regard to amendment No. 12, contributions to the United Nations expanded program of technical assistance, the House conferees receded and accepted the highest figure possible under parliamentary rules, the Senate figure of $9,957,621. For contributions to the United Nations Children's Fund I favored the Senate figure of $13,500,000 but the majority conferees succeeded in compromising this for $12,500,000. I supported the $55 million item, amendment in disagreement numbered 31, surplus agricultural commodities as economic assistance to Spain. The House conferees felt that the House language used over the years with regard to shipping of at least 50 percent of the gross tonnage of commodities shipped under the Mutual Security Act was better for the American merchant marine than the Senate version, which was amendment in disagreement numbered 35. The conferees accepted the House version.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I would not take the time of the House at this stage of the session unless I had information to impart to the House which is important to this bill.

Mr. Speaker, the amount appropriated here for military aid is reasonably adjusted to the policies of the United States, but the amount appropriated for economic and technical assistance and the policies of the United States on that subject are not, and I emphasize this, appropriate for the economic challenge posed to us by the Soviet Union. About 85 percent of this appropriation is for military purposes, directly and indirectly; about 15 percent for economic, technical, and other purposes. The whole Communist bloc led by the Soviet Union is engaged in an enormous trade drive, and they are making headway. We read this very morning that the strategic list for trade with the Communist bloc by 16 nations has been revised and tens of millions more in trade is in sight.

We read also that the Soviet Union is gaining on the United States production in what, to us, is a dangerous potential. The latest reported figures show the Soviet Union producing as much coal as we did in 1954; and that its production of steel and pig iron is now 50 percent of ours, which is very serious when their huge land territory is considered, their internal lines of communication, and the vast diversion of steel for military uses in the Communist bloc.

Mr. Speaker, we are having a new look at foreign policy; withdrawing divisions from around the world, and putting them in place to be a strategic

striking force. We are otherwise reorganizing our military aspect in the world. But we are failing to realize that infiltration and subversion, which are being built by the Communists fraudulently but nonetheless being built upon economic distress and nationalism, are as dangerous to us as military attack; and that no bases are any good in any country that goes Communist by subversion or infiltration, no matter how strong those bases may have been made.

So, when we are considering this bill, and bearing in mind. as I think all the Members will find when they get home, that the overriding question in this particular congressional campaign, the overriding issue, is still going to be the issue of peace, I think we should all do a lot of hard thinking, and so should the administration, before it sends us its mutual security program next year, as to what is the new aspect of the Communist danger to the world. And I insist to you, and the proof is there, that that aspect is economic and tradewise, that is going to be our new struggle which we have to meet with policy, means, and money, and do not let us deceive ourselves that this bill gives us copper-riveted protection.

The SPEAKER. The time of the gentleman has expired.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, this bill has presented many difficult problems. We discussed that when the original bill was before this body. We were late getting the budget estimates, because the international situation was so uncertain and so fluid at the time that it was difficult to determine just what expenditures would be necessary for the current year.

I would like to call the attention of this body, however, to just one fact. The House cut the budget estimates over $800 million in the original bill. When that bill went to the Senate, the Senate raised the House figures. The exact amount of the increase is difficult to determine because the Senate bill placed no limitation on the use of unexpended balances and estimates of those balances vary. According to the best estimate available, however, the increase over the House figure was $363 million. In this bill we have cut the Senate figure $328 million. The bill that is now before us, in this conference report, is only $35 million more than it was when it left the House. I think that is very good trading. I believe that we have obtained an excellent settlement; and in saying that I want to pay my respects again to the chairman of our committee [Mr. TABER] who did an excellent job of negotiating with the Senate.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. I just want to say that I appreciate to the utmost the complete cooperation that existed among all of the House conferees in trying to work out a solution of this very difficult and intricate problem. They have all done their very best, and every single one of them has made a substantial contribution to the result.

Mr. GARY. I thank the gentleman for those remarks. There has been absolute cooperation among all of the members of the subcommittee which handled the original bill and among the House conferees. Although I am one of them, I still presume to say that I think the conferees did a good job. I think we got a good settlement, and I hope it will be the pleasure of the House to adopt the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. I think the conferees have done a pretty fair job in holding this appropriation down. On the other hand, the $35 million added in conference in the face of the debt limit increase the other day is $35 million too much. It is money the Government of this country does not have. For that and other reasons I cannot accept this report.

Mr. GARY. Frankly, I agree with the gentleman, because it is $35 million more than our original recommendation. However, the gentleman must remember that in reaching that figure we were able to get the Senate to yield on $328 million, which I think is pretty good trading.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. ROONEY. I would not want anyone to infer that I am in agreement with every item in this conference report. There are certain items with which I am very much displeased as this conference report is brought back to the House. However, almost all legislation is arrived at by way of compromise. I think that under all the circumstances the conference report now before us is the best that could have been worked out with the other body.

Mr. GARY. I thank the gentleman. I think that is true of every member of the conference. I do not believe there is any single conferee that is absolutely satisfied with every single item in the conference report, but we have to work these matters out in compromise. I am simply trying to point out to the House that I think we got a very good compromise.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. CELLER. I just want to announce to the House that the news has just come over the ticker that former Premier of Italy Alcide de Gasperi has died. I have had a number of contacts with him in his lifetime, especially during my repeated visits to Italy, and I always found him to be a genuine friend to America. His passing is indeed a sad loss to the Italian people, and a loss to us. He was an able statesman, a God-fearing man, and an indefatigable worker for the welfare of the poor and humble. He leaves behind a good name.

Mr. TABER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-four Members are present, not a quorum.

The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 188, nays 77, not voting 166, as follows:

[Roll No. 145]

YEAS—188

Addonizio	Garmatz	Osmers
Albert	Gary	Ostertag
Allen, Calif.	Gathings	Patman
Allen, Ill.	Goodwin	Perkins
Aspinall	Graham	Pfost
Auchincloss	Granahan	Philbin
Bates	Green	Poage
Becker	Hagen, Calif.	Poff
Boggs	Hale	Polk
Bolton, Frances P.	Halleck	Price
	Harden	Priest
Bolton, Oliver P.	Hardy	Prouty
	Hart	Radwan
Boykin	Hays, Ark.	Ray
Brooks, Tex.	Heselton	Rayburn
Brown, Ga.	Hillings	Reams
Brownson	Holmes	Reed, Ill.
Buchanan	Hope	Reed, N. Y.
Burleson	Hyde	Rees, Kans.
Bush	Ikard	Rhodes, Ariz.
Byrne, Pa.	James	Rhodes, Pa.
Campbell	Jarman	Roberts
Cannon	Javits	Rodino
Carnahan	Jenkins	Rogers, Colo.
Celler	Johnson, Calif.	Rogers, Fla.
Chenoweth	Johnson, Wis.	Rogers, Mass.
Chudoff	Jonas, N. C.	Rooney
Cooley	Jones, Ala.	Saylor
Cooper	Jones, Mo.	Seely-Brown
Corbett	Judd	Sheppard
Cretella	Karsten, Mo.	Sieminski
Crosser	Kean	Simpson, Pa.
Cunningham	Keating	Small
Curtis, Mass.	Kee	Smith, Miss.
Dawson, Utah	Kelley, Pa.	Spence
Deane	Kersten, Wis.	Springer
Delaney	Kilday	Staggers
Derounian	King, Calif.	Stauffer
Devereux	Kirwan	Steed
Dingell	Kluczynski	Sullivan
Dodd	Lane	Taber
Dollinger	Lanham	Teague
Dondero	McCarthy	Thompson, Tex.
Donohue	McConnell	Thornberry
Donovan	Magnuson	Tollefson
Dorn, N. Y.	Mahon	Trimble
Durham	Mailliard	Velde
Eberharter	Marshall	Vorys
Edmondson	Matthews	Walter
Elliott	Merrill	Wampler
Evins	Merrow	Warburton
Fallon	Miller, Calif.	Watts
Feighan	Miller, Kans.	Wharton
Fenton	Miller, Md.	Wickersham
Fernandez	Mollohan	Wigglesworth
Fogarty	Morano	Wilson, Calif.
Forand	Multer	Wilson, Ind.
Ford	Mumma	Wolcott
Forrester	Murray	Wolverton
Fountain	Natcher	Young
Frazier	Oakman	Younger
Freylinghuysen	O'Brien, N. Y.	Zablocki
Friedel	O'Hara, Ill.	
Fulton	O'Neill	

NAYS—77

Abbitt	Bailey	Bramblett
Abernethy	Battle	Bray
Alexander	Belcher	Brown, Ohio
Andresen, August H.	Bennett, Fla.	Budge
	Berry	Burdick
Andrews	Betts	Byrd
Ashmore	Bow	Byrnes, Wis.

Carlyle	Jonas, Ill.	Schenck
Clardy	Jones, N. C.	Scherer
Cole, Mo.	Kearns	Selden
Coon	Laird	Shuford
Davis, Wis.	Long	Smith, Va.
Dies	McIntire	Smith, Wis.
Dowdy	McMillan	Sutton
Fisher	McVey	Talle
Gavin	Mack, Wash.	Thomas
Gentry	Mills	Thompson, Mich.
George	Neal	
Grant	Nicholson	Tuck
Gross	Norrell	Van Zandt
Hagen, Minn.	O'Hara, Minn.	Whitten
Harrison, Nebr.	O'Konski	Williams, Miss.
Harrison, Va.	Passman	Willis
Hays, Ohio	Phillips	Winstead
Herlong	Reece, Tenn.	Withrow
Hoffman, Mich.	Robeson, Va.	
Jensen	Rogers, Tex.	

NOT VOTING—166

Adair	Golden	Miller, N. Y.
Andersen, H. Carl	Gordon	Morgan
Angell	Gregory	Morrison
Arends	Gubser	Moss
Ayres	Gwinn	Moulder
Baker	Haley	Nelson
Barden	Hand	Norblad
Barrett	Harris	O'Brien, Ill.
Beamer	Harrison, Wyo.	O'Brien, Mich.
Bender	Harvey	Patten
Bennett, Mich.	Hébert	Patterson
Bentley	Hess	Pelly
Bentsen	Hiestand	Pilcher
Bishop	Hill	Pillion
Blatnik	Hillelson	Powell
Boland	Hinshaw	Preston
Bolling	Hoeven	Rabaut
Bonin	Hoffman, Ill.	Rains
Bonner	Holifield	Regan
Bosch	Holt	Richards
Bowler	Holtzman	Riehlman
Brooks, La.	Horan	Riley
Broyhill	Hosmer	Rivers
Buckley	Howell	Robsion, Ky.
Busbey	Hruska	Roosevelt
Canfield	Hunter	Sadlak
Carrigg	Jackson	St. George
Cederberg	Kearney	Scott
Chatham	Kelly, N. Y.	Scrivner
Chelf	Keogh	Scudder
Chiperfield	Kilburn	Secrest
Church	King, Pa.	Sheehan
Clevenger	Klein	Shelley
Cole, N. Y.	Knox	Short
Colmer	Krueger	Sikes
Condon	Landrum	Simpson, Ill.
Cotton	Lantaff	Smith, Kans.
Coudert	Latham	Stringfellow
Crumpacker	LeCompte	Taylor
Curtis, Mo.	Lesinski	Thompson, La.
Curtis, Nebr.	Lipscomb	Utt
Dague	Lovre	Van Pelt
Davis, Ga.	Lucas	Vinson
Davis, Tenn.	Lyle	Vursell
Dawson, Ill.	McCormack	Wainwright
Dempsey	McCulloch	Weichel
D'Ewart	McDonough	Westland
Dolliver	McGregor	Wheeler
Dorn, S. C.	Machrowicz	Widnall
Doyle	Mack, Ill.	Wier
Ellsworth	Madden	Williams, N. J.
Engle	Martin, Iowa	Williams, N. Y.
Fine	Mason	Wilson, Tex.
Fino	Meader	Yates
Gamble	Metcalf	Yorty
	Miller, Nebr.	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Canfield for, with Mr. Harrison of Wyoming against.

Mr. Coudert for, with Mr. Welchel against.

Mr. Pelly for, with Mr. Sheehan against.

Mr. Westland for, with Mr. Busbey against.

Mr. Taylor for, with Mr. Lovre, against.

Mr. Jackson for, with Mr. McGregor against.

Mr. Kearney for, with Mr. Bentley against.

Mr. Keogh for, with Mr. Hoeven against.

Mr. Vinson for, with Mr. Hoffman of Illinois against.

Mr. Widnall for, with Mr. Bishop against.

Mr. Carrigg for, with Mr. Short against.

Mr. Buckley for, with Mr. Hand against.

Mr. Preston for, with Mr. Colmer against.

Mr. O'Brien of Illinois for, with Mr. Curtis of Missouri against.

Mr. Broyhill for, with Mr. Adair against.

Mr. Gregory for, with Mr. Bentsen against.

Mr. McCormark for, with Mr. Lyle against.

Mr. Fine for, with Mr. Beamer against.

Mr. Chelf for, with Mrs. Church against.

Mr. Sadlak for, with Mr. Miller of Nebraska against.

Mrs. St. George for, with Mr. Patten against.

Mr. Riehlman for, with Mr. Hruska against.

Mr. Gordon for, with Mr. Barden against.

Mr. Rains for, with Mr. Sikes against.

Mr. Richards for, with Mr. Moulder against.

Mr. Pilcher for, with Mr. Rivers against.

Mrs. Kelly of New York for, with Mr. Dorn of South Carolina against.

Mr. Ellsworth for, with Mr. Smith of Kansas against.

Mr. Dague for, with Mr. Bonner against.

Mr. Roosevelt for, with Mr. Mason against.

Mr. Miller of New York for, with Mr. Crumpacker against.

Mr. Bowler for, with Mr. McCulloch against.

Mr. Barrett for, with Mr. Van Pelt against.

Mr. Howell for, with Mr. Hillelson against.

Mr. Bender for, with Mr. Harvey against.

Mr. Arends for, with Mr. Krueger against.

Mr. Patterson for, with Mr. Martin of Iowa against.

Mr. Hess for, with Mr. Gwinn against.

Mr. Holt for, with Mr. Clevenger against.

Mr. Cole of New York for, with Mr. Horan against.

Mr. Yates for, with Mr. Stringfellow against.

Mr. Yorty for, with Mr. Utt against.

Mr. Williams of New York for, with Mr. Simpson of Illinois against.

Mr. Chatham for, with Mr. Dempsey against.

Mr. Hébert for, with Mr. Haley against.

Until further notice:

Mr. H. Carl Andersen with Mr. Harris.

Mr. Kilburn with Mr. Engle.

Mr. Baker with Mr. Brooks of Louisiana.

Mr. Nelson with Mr. Kline.

Mr. D'Ewart with Mr. Landrum.

Mr. Chiperfield with Mr. Davis of Georgia.

Mr. Vursell with Mr. Wheeler.

Mr. Hunter with Mr. Wier.

Mr. Bosch with Mr. Machrowicz.

Mr. Fino with Mr. Lesinski.

Mr. Gamble with Mr. Holifield.

Mr. Gubser with Mr. Holtzman.

Mr. Bennett of Michigan with Mr. Shelley.

Mr. Cederberg with Mr. Thompson of Louisiana.

Mr. Cotton with Mr. Regan.

Mr. Dolliver with Mr. Rabaut.

Mr. LeCompte with Mr. Doyle.

Mr. Latham with Mr. Morgan.

Mr. Pillion with Mr. Morrison.

Mr. Robsion of Kentucky with Mr. Metcalf.

Mr. Lipscomb with Mr. Madden.

Mr. King of Pennsylvania with Mr. Mack of Illinois.

Mr. Norblad with Mr. Moss.

Mr. Knox with Mr. Dawson of Illinois.

Mr. McDonough with Mr. Davis of Tennessee.

Mr. Scott with Mr. Condon.

Mr. Hosmer with Mr. O'Brien of Michigan.

Mr. Hill with Mr. Lucas.

Mr. Hinshaw with Mr. Lantaff.

Mr. Hiestand with Mr. Boland.

Mr. Ayres with Mr. Blatnik.

Mr. Bonin with Mr. Bolling.

Mr. Scudder with Mr. Riley.

Mr. Golden with Mr. Secrest.

Mr. Wainwright with Mr. Wilson of Texas.

Mr. LONG changed his vote from "yea" to nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, strike out all after line 9 over to and including line 14 on page 2, and insert:

"Military assistance: For military assistance as authorized by title I, chapter 1, $1,192,700,000, together with unexpended balances of appropriations heretofore made for military assistance which shall be consolidated with this appropriation: *Provided*, That not to exceed $3,932,092,283 may be obligated under this heading during fiscal year 1955, including not to exceed $3,770,392,283 for general military assistance as authorized by section 103, and not to exceed $161,700,000 for infrastructure as authorized by section 104 (a), and not to exceed $24 million for administrative expenses to carry out the purposes of title I, chapter 1: *Provided further*, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200 million in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further*, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"Military assistance: For military assistance as authorized by title I, chapter 1, $1,192,700,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,092,700,000 plus not to exceed $2,383,512,729 of unobligated balances; for infrastructure authorized by section 104 (a), $100 million, plus not to exceed $39 million of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East, and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed $23,250,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955: *Provided further*, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200 million in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further*, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 3, line 15, strike out "$712,000,000" and insert "$700,000,000: *Provided*, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not cooperating

in common defense efforts against further Communist penetration and/or aggression."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "$700,000,000: *Provided,* That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not making satisfactory efforts against Communist penetration and/or aggression."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 3, line 21, insert the following:

"Production for forces support: For assistance authorized by section 122, $35,000,000."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Production for forces support: For assistance authorized by section 122, $35,000,000, all of which shall be in the form of United States surplus agricultural commodities."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 4, line 23, strike out the following: "and in addition, not to exceed $15,000,000 of the unobligated balances of funds heretofore made available under this head."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 9, and concur therein with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", and in addition, not to exceed $16 million of the unobligated balances of funds heretofore made available under this head."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: On page 5, line 12, insert the following:

"Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 12, and concur therein with an amendment, as follows: After the sum named in said amendment insert the following: ": *Provided,* That no commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the United States until the Congress appropriates for said purpose."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 7, line 3, insert the following:

"Unexpended balances

"The unexpended balances appropriated under each paragraph of the Mutual Security Appropriation Act, 1954 (except appropriations under the heads of military assistance and mutual special weapons planning) shall be consolidated with the appropriate appropriation made under this act, and shall be available for the same general purpose and for the same period of time as the appropriate appropriation made under this act."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the matter by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during fiscal year 1955, may be consolidated in one account for each paragraph: *Provided,* That any apparent recorded obligation outstanding on June 30, 1954, against any such appropriations which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Director of the Foreign Operations Administration and the Director of the Budget not later than February 1, 1955."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 7, line 19, insert the following: ", including (notwithstanding the provision of section 9 of the act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of the Mutual Security Act of 1954."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 12, line 10, strike out ", and notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act of 1953."

Mr. TABER. Mr. Speaker, I offer a motion.

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 25, and concur therein with an amendment, as follows: In lieu of the matter proposed to be stricken by the said amendment insert "and hereafter, foreign currencies generated under the provisions of this act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated (except as specifically provided in section 109 of this act)."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 12, line 14, insert: *"Provided,* That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out 'Committee on House Administration of the House of Representatives' and insert 'Committee on Appropriations of the House of Representatives', and (2) strike out 'Committee on Rules and Administration of the Senate' and insert 'Committee on Appropriations of the Senate'."

Mr. TABER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ": *Provided,* That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out 'Committee on Rules and Administration of the Senate' and insert 'Committee on Appropriations of the Senate'."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 14, line 21, insert:

"SEC. 107. $55,000,000 of the unobligated balances continued available under this Act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided,* That the limitations on obligation of military assistance funds during fiscal year 1955 shall not apply to such assistance: *Provided further,* That 95 per centum of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States."

Mr. TABER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 109. $55,000,000 of the unobligated balances continued available under this act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided,* That 80 percentum of the foreign currencies generated hereunder shall be used to

strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States: *Provided, however,* That this provision shall not be construed as a precedent or as an abrogation of any agreement heretofore entered into."

Mr. DAVIS of Wisconsin. Mr. Speaker, I oppose the adoption of the motion for the previous question on the motion of the gentleman from New York to recede and concur in the Senate amendment No. 31 with an amendment, because I believe that the amendment No. 31, as agreed to in conference, contains an unsound and dangerous proviso.

The proviso to which I refer is as follows:

Provided further, That 80 percent of the foreign currencies generated here shall be used to strengthen and improve the civil economy of Spain, the balance to be available for use of the United States.

I made reference to this matter in my earlier colloquy with the gentleman from New York [Mr. TABER]. After several years of our distributing money and products among many of the nations of the world, receiving very little in return, we finally, after lengthy negotiations, made an agreement with a country which, in return for our economic assistance, made some definite commitments to us. That nation was Spain.

It was my responsibility, as chairman of the Appropriations Subcommittee which handles military construction, to make thorough inquiry into the nature of our agreement with Spain which permitted the establishment of United States Air Force and naval installations in that country. Because our subcommittee was impressed with the comparatively businesslike approach which had characterized the formation of this agreement, we recommend the appropriation of funds for the initiation of Air Force and Navy construction there. In that treaty it was provided that the United States occupation of facilities was assured for a minimum of 10 years; and it was further provided that 60 percent of the Spanish curriencies generated by our program of economic assistance to Spain was to be made available for the construction of our military installations there.

The proviso which I have quoted above is completely inconsistent with that agreement, and substitutes the philosophy of the giveaway for the sounder philosophy of a quid pro quo arrangement. In this superseding our treaty arrangement, this proviso means either the weakening of our military construction program in Spain or the appropriation of millions of additional dollars that would otherwise not need to be appropriated from the Treasury.

The adoption of the motion for the previous question deprives me of the opportunity to offer a motion as a substitute for the motion of the gentleman from New York.

The motion which I have placed on the Clerk's desk would strike this objectionable proviso from the conference report.

The House, in its rush to adjourn, makes a serious and expensive mistake in adopting the motion of the gentleman from New York.

Mr. TABER. Mr. Speaker, I move the previous question.

The SPEAKER. If there is no objection, the previous question is ordered.

Mr. DAVIS of Wisconsin. Mr. Speaker, I object.

The SPEAKER. The question is on ordering the previous question.

Mr. DAVIS of Wisconsin. Mr. Speaker, I have a motion at the desk as a substitute for the motion offered by the gentleman from New York, which I ask to have considered.

The SPEAKER. The motion which the gentleman from Wisconsin intends to offer can be offered only if the previous question is voted down.

Mr. DAVIS of Wisconsin. Mr. Speaker, I was on my feet seeking recognition at the time the Chair put the motion.

The SPEAKER. The Chair must state that the gentleman from New York had the floor and was entitled to move the previous question immediately upon the conclusion of the reading of his motion that the House recede from its disagreement to the Senate amendment and concur therein with an amendment. The gentleman from New York [Mr. TABER] moved the previous question and that is the question to be voted upon at this time.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 86, noes 28.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 186, nays 76, not voting 169, as follows:

[Roll No. 146]

YEAS—186

Abbitt	Curtis, Mass.	Hale
Abernethy	Dawson, Utah	Harden
Addonizio	Deane	Hardy
Allen, Calif.	Delaney	Harrison, Va.
Allen, Ill.	Derounian	Hart
Andrews	Devereux	Hays, Ark.
Aspinall	Dodd	Herlong
Auchincloss	Dollinger	Heselton
Barrett	Dondero	Holmes
Bates	Donohue	Hope
Battle	Donovan	James
Becker	Dorn, N. Y.	Jarman
Boggs	Durham	Javits
Boland	Eberharter	Jenkins
Bolton, Frances P.	Edmondson	Jensen
	Elliott	Johnson, Calif.
Boykin	Evins	Johnson, Wis.
Brambiett	Fallon	Jonas, N. C.
Brooks, Tex.	Feighan	Jones, Ala.
Brown, Ga.	Fenton	Karsten, Mo.
Brownson	Fernandez	Kearns
Buchanan	Fogarty	Keating
Burleson	Forand	Kee
Bush	Ford	Kelley, Pa.
Byrd	Forrester	Kersten, Wis.
Byrne, Pa.	Fountain	Kilday
Campbell	Frazier	King, Calif.
Cannon	Friedel	Kirwan
Carnahan	Fulton	Kluczynski
Celler	Garmatz	Lane
Chenoweth	Gary	Lanham
Chudoff	Gavin	McCarthy
Cooley	Goodwin	McConnell
Cooper	Graham	Mack, Wash.
Corbett	Granahan	Magnuson
Cretella	Grant	Mahon
Crosser	Green	Marshall
Cunningham	Hagen, Calif.	Matthews
Merrill	Rayburn	Sullivan
Merrow	Reams	Taber
Miller, Calif.	Reece, Tenn.	Teague
Mollohan	Reed, Ill.	Thomas
Morano	Reed, N. Y.	Thompson, Tex.
Multer	Rhodes, Pa.	Thornberry
Mumma	Roberts	Tollefson
Natcher	Robeson, Va.	Trimble
Neal	Rodino	Tuck
Oakman	Rogers, Colo.	Velde
O'Brien, N. Y.	Rogers, Fla.	Vorys
O'Hara, Ill.	Rogers, Mass.	Walter
O'Neill	Rooney	Wampler
Osmers	Saylor	Warburton
Ostertag	Scherer	Watts
Perkins	Seely-Brown	Wharton
Pfost	Selden	Wickersham
Philbin	Sheppard	Wigglesworth
Poage	Sieminski	Wilson, Ind.
Polk	Simpson, Pa.	Wolcott
Price	Smith, Va.	Wolverton
Priest	Spence	Younger
Prouty	Staggers	Zablocki
Radwan	Stauffer	
Ray	Steed	

NAYS—76

Albert	Gentry	O'Konski
Alexander	George	Passman
Andresen, August H.	Gross	Patman
	Hagen, Minn.	Phillips
Ashmore	Harrison, Nebr.	Poff
Bailey	Hays, Ohio	Rees, Kans.
Belcher	Hillings	Rhodes, Ariz.
Bennett, Fla.	Hoffman, Mich.	Rogers, Tex.
Berry	Hyde	Schenck
Betts	Ikard	Shuford
Bolton, Oliver P.	Jonas, Ill.	Small
	Jones, Mo.	Smith, Miss.
Bow	Jones, N. C.	Smith, Wis.
Bray	Judd	Springer
Brown, Ohio	Kean	Sutton
Budge	Laird	Talle
Byrnes, Wis.	Long	Thompson, Mich.
Carlyle	McIntire	
Clardy	McMillan	Van Zandt
Cole, Mo.	McVey	Whitten
Coon	Mailliard	Willis
Davis, Wis.	Miller, Md.	Wilson, Calif.
Dies	Mills	Winstead
Dowdy	Murray	Withrow
Fisher	Nicholson	Young
Frelinghuysen	Norrell	
Gathings	O'Hara, Minn.	

NOT VOTING—169

Adair	Dorn, S. C.	Lovre
Andersen, H. Carl	Doyle	Lucas
	Ellsworth	Lyle
Angell	Engle	McCormack
Arends	Fine	McCulloch
Ayres	Fino	McDonough
Baker	Gamble	McGregor
Barden	Golden	Machrowicz
Beamer	Gordon	Mack, Ill.
Bender	Gregory	Madden
Bennett, Mich.	Gubser	Martin, Iowa
Bentley	Gwinn	Mason
Bentsen	Haley	Meader
Bishop	Halleck	Metcalf
Blatnik	Hand	Miller, Kans.
Bolling	Harris	Miller, Nebr.
Bonin	Harrison, Wyo.	Miller, N. Y.
Bonner	Harvey	Morgan
Bosch	Hébert	Morrison
Bowler	Hess	Moss
Brooks, La.	Hiestand	Moulder
Broyhill	Hill	Nelson
Buckley	Hillelson	Norblad
Burdick	Hinshaw	O'Brien, Ill.
Busbey	Hoeven	O'Brien, Mich.
Canfield	Hoffman, Ill.	Patten
Carrigg	Holifield	Patterson
Cederberg	Holt	Pelly
Chatham	Holtzman	Pilcher
Chelf	Horan	Pillion
Chiperfield	Hosmer	Powell
Church	Howell	Preston
Clevenger	Hruska	Rabaut
Cole, N. Y.	Hunter	Rains
Colmer	Jackson	Regan
Condon	Kearney	Richards
Cotton	Kelly, N. Y.	Riehlman
Coudert	Keogh	Riley
Crumpacker	Kilburn	Rivers
Curtis, Mo.	King, Pa.	Robsion, Ky.
Curtis, Nebr.	Klein	Roosevelt
Dague	Knox	Sadlak
Davis, Ga.	Krueger	St. George
Davis, Tenn.	Landrum	Scott
Dawson, Ill.	Lantaff	Scrivner
Dempsey	Latham	Scudder
D'Ewart	LeCompte	Secrest
Dingell	Lesinski	Sheehan
Dolliver	Lipscomb	Shelley

Short	Van Pelt	Wier
Sikes	Vinson	Williams, Miss.
Simpson, Ill.	Vursell	Williams, N. J.
Smith, Kans.	Wainwright	Williams, N. Y.
Stringfellow	Weichel	Wilson, Tex.
Taylor	Westland	Yates
Thompson, La.	Wheeler	Yorty
Utt	Widnall	

So the previous question was ordered.

The Clerk announced the following pairs:

Mr. Canfield with Mr. McCormack.
Mr. Coudert with Mr. Fine.
Mr. Hand with Mr. Colmer.
Mr. Halleck with Mr. Keogh.
Mr. Curtis of Missouri with Mr. Barden.
Mr. Jackson with Mr. Vinson.
Mr. Martin of Iowa with Mr. Thompson of Louisiana.
Mr. Patterson with Mr. Sikes.
Mr. Short with Mr. Williams of Mississippi.
Mr. Taylor with Mr. Rivers.
Mr. Widnall with Mr. Preston.
Mr. Williams of New York with Mr. Dorn of South Carolina.
Mr. Broyhill with Mr. Riley.
Mr. Arends with Mr. Gordon.
Mr. Busbey with Mr. Bonner.
Mr. LeCompte with Mrs. Kelly of New York.
Mr. Adair with Mr. Richards.
Mr. Hunter with Mr. Brooks of Louisiana.
Mr. Ayres with Mr. Haley.
Mr. Forand with Mr. Morrison.
Mr. Cole of New York with Mr. Buckley.
Mr. Bender with Mr. Rains.
Mr. McGregor with Mr. Gregory.
Mr. Utt with Mr. Hébert.
Mr. Wainwright with Mr. Howell.
Mr. Mason with Mr. Roosevelt.
Mr. Cotton with Mr. Patten.
Mr. Ellsworth with Mr. O'Brien of Illinois.
Mr. Coon with Mr. Moss.
Mr. Fino with Mr. Engle.
Mr. Harrison of Wyoming with Mr. Dingell.
Mr. Kearney with Mr. Blatnik.
Mr. Beamer with Mr. Davis of Georgia.
Mr. H. Carl Andersen with Mr. Shelley.
Mr. Hill with Mr. Wheeler.
Mr. Scott with Mr. Yorty.
Mr. Meader with Mr. Mack of Illinois.
Mr. Norblad with Mr. Bolling.
Mr. Miller of Nebraska with Mr. Landrum.
Mr. Dague with Mr. Secrest.
Mr. Nelson with Mr. Regan.
Mr. D'Ewart with Mr. Madden.
Mr. Clevenger with Mr. Chatham.
Mr. Westland with Mr. Doyle.
Mrs. Church with Mr. Chelf.
Mr. Bishop with Mr. Holifield.
Mr. Hoffman of Illinois with Mr. Lantaff.
Mr. Stringfellow with Mr. Machrowicz.
Mr. Van Pelt with Mr. Lyle.
Mr. Carrigg with Mr. Holtzman.
Mr. Bentley with Mr. Lesinski.
Mr. Simpson of Illinois with Mr. Rabaut.
Mr. Hosmer with Mr. O'Brien of Michigan.
Mr. Crumpacker with Mr. Mouider.
Mr. Gubser with Mr. Harris.
Mr. Harvey with Mr. Lucas.
Mr. Lovre with Mr. Metcalf.
Mr. Vursell with Mr. Wier.
Mr. Smith of Kansas with Mr. Yates.
Mr. Holt with Mr. Pilcher.
Mr. Hoeven with Mr. Bowler.
Mr. Lipscomb with Mr. Williams of New Jersey.
Mr. Riehlman with Mr. Bentsen.
Mr. Pillion with Mr. Dempsey.
Mr. Scrivner with Mr. Condon.
Mr. Hruska with Mr. Powell.
Mr. Kilburn with Mr. Dawson of Illinois.
Mr. Chiperfield with Mr. Morgan.
Mr. Peily with Mr. Wilson of Texas.

Mr. SCHERER changed his vote from "nay" to "yea."

Mr. BROWN of Ohio changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 114, noes 41.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 15, line 8, insert:

"SEC. 108. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Such funds shall be considered obligated in accordance with the provisions of section 1311 of the Supplemental Appropriation Act of 1955 on written orders issued by the Secretary of Defense to the military departments for the procurement or delivery of supplies and services, when receipt of such orders has been acknowledged in writing. Within the limits of funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocation, and no funds so allocated shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred, or unless the President in writing shall direct such action. Reimbursement from such allocation shall be made in accordance with the applicable provisions of law."

Mr. TABER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 32, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 110. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations during the current fiscal year shall be reserved and shall remain available until June 30, 1957, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter beginning with the period ending December 31, 1954, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this act for military assistance (including specified amounts of unobligated balances), and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for such purposes, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year, and no expenditures shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That any apparent recorded obligation exceeding $5 million, outstanding on June 30, 1954, which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Secretary of Defense and the Director of the Budget not later than February 1, 1955: *Provided further*, That nothing in this act shall be construed as making any appropriation or fund available for obligation after June 30, 1955, except as may be necessary for reimbursements authorized herein or as authorized by the Mutual Security Act of 1954."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 33: Page 16, line 7, insert:

"SEC. 109. The appropriations, authorizations, and authority with respect thereto in this act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, 83d Congress."

Mr. TABER. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment, as follows: Change the section number to 111.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Speaker, I ask unanimous consent that I may insert a statement in the body of

the RECORD immediately following the motion of the gentleman from New York [Mr. TABER] with respect to amendment No. 31.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

Mr. TABER. Mr. Speaker, I move to reconsider the several votes by which the conference report and amendments have been agreed to, and to lay that motion on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. TABER. Mr. Speaker, I ask unanimous consent that all those who have spoken on the conference report and amendments may have unanimous consent to revise and extend the remarks they made.

The SPEAKER. Is there objection?

There was no objection.

ORAL PRESCRIPTIONS FOR CERTAIN NARCOTIC DRUGS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3447) to amend the Internal Revenue Code to permit the filling of oral prescriptions for certain drugs, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2554 (c) (1) of the Internal Revenue Code of 1939 is amended to read as follows:

"(1) Use of drugs in professional practice: To the dispensing or distribution of narcotic drugs to a patient by a physician, dentist, veterinary surgeon, or other practitioner, registered under section 3221, in the course of his professional practice only: *Provided,* That such physician, dentist, veterinary surgeon, or other practitioner, shall keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist, veterinary surgeon, or other practitioner, shall personally attend; and such record shall be kept for a period of 2 years from the date of dispensing or distributing such drugs, subject to inspection, as provided in section 2556."

SEC. 2. Section 2554 (c) (2) of the Internal Revenue Code of 1939 is amended to read as follows:

"(2) Prescriptions: To the sale, dispensing, or distribution of narcotic drugs by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, veterinary surgeon, or other practitioner, registered under section 3221: *Provided, however,* That (1) such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, veterinary surgeon, or other practitioner, who shall have issued the same; (2) that such dealer shall preserve such prescription for a period of 2 years from the day on which such prescription is filed in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials mentioned in section 2556.

"In lieu of a written prescription for such narcotic drugs or compounds of a narcotic drug which the Secretary, in his discretion (after considering any views expressed on the subject by the Surgeon General, United States Public Health Service; the Commissioner, United States Food and Drug Administration, the respective heads of State narcotic law-enforcement agencies, and the respective secretaries of national associations representing (a) narcotic drug manufacturers, (b) physicians, and (c) pharmacists), shall find and by regulation designate to possess relatively little or no addiction liability, the sale, dispensing, or distribution may be made by a dealer to a consumer upon oral prescription of a duly registered physician, dentist, veterinary surgeon, or other practitioner, which oral prescription is reduced promptly to writing, and the writing filed and preserved by the dealer for a period of 2 years from the date on which such prescription is filed in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials mentioned in section 2556. In issuing an oral prescription, the prescriber shall furnish the dealer with the same information as is required by law or regulation in case of a written prescription for narcotic drugs or compounds of a narcotic drug except for the written signature of the prescriber, and the dealer who fills such prescription shall be required to inscribe such information on the written record of the prescription made, filed and preserved by him, and shall inscribe on the label of the container of the narcotic drug or compound of a narcotic drug the same information as is required in filling a written prescription. An oral prescription shall not be refilled.

"If the Secretary shall subsequently determine that a narcotic drug or a compound of a narcotic drug, to which the oral prescription procedure described in the preceding paragraph has been made applicable, possesses a degree of drug addition liability that, in his opinion, results in abusive use of such procedure, he shall by regulation publish the determination in the Federal Register. The determination shall be final, and after the expiration of a period of 6 months from the date of its publication, the oral prescription procedure described in the preceding paragraph shall cease to apply to the particular narcotic drug or to the particular compound of a narcotic drug which is the subject of the determination."

SEC. 3. Section 2553 (b) (1) of the Internal Revenue Code of 1939 is amended to read as follows:

"(1) Prescriptions: To any person having in his or her possession any narcotic drugs or compounds of narcotic drugs which have been obtained from a registered dealer in pursuance of a written or oral prescription referred to in section 2554 (c) (2), issued for legitimate medical uses by a physician, dentist, veterinary surgeon, or other practioner registered under section 3221; and where the bottle or other container in which such narcotic drug or compound of a narcotic drug may be put up by the dealer upon said prescription bears the name and registry number of the druggist, and name and address of the patient, serial number of prescription, and name, address, and registry number of the person issuing said prescription; or."

SEC. 4. Section 2556 (a) of the Internal Revenue Code of 1939 is amended by placing a comma after the word "prescriptions" in the first sentence thereof and interpolating immediately following said comma, the phrase "including the written record of oral prescriptions,".

SEC. 5. Section 3224 (b) (5) of the Internal Revenue Code of 1939 is amended to read as follows:

"(5) to any person carrying any narcotic drug or compound of a narcotic drug which has been obtained by the person from a registered dealer in pursuance of a written or oral prescription referred to in section 2554 (c) (2), issued for legitimate medical uses by a physician, dentist, veterinary surgeon, or other practitioner, registered under section 3221, if the bottle or other container in which such drug or compound of a narcotic drug is carried bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person issuing such prescription."

SEC. 6. Section 4705 (c) (1) of the Internal Revenue Code of 1954 is amended to read as follows:

"(1) Use of drugs in professional practice: To the dispensing or distribution of narcotic drugs to a patient by a physician, dentist, veterinary surgeon, or other practitioner registered under section 4722, in the course of his professional practice only: *Provided,* That such physician, dentist, veterinary surgeon, or other practitioner shall keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist, veterinary surgeon, or other practitioner shall personally attend; and such record shall be kept for a period of 2 years from the date of dispensing or distributing such drugs, subject to inspection, as provided in section 4773."

SEC. 7. Section 4705 (c) (2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) Prescriptions: (A) To the sale, dispensing, or distribution of narcotic drugs by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, veterinary surgeon, or other practitioner registered under section 4722: *Provided, however,* That (i) such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, veterinary surgeon, or other practitioner who shall have issued the same; (ii) that such dealer shall preserve such prescription for a period of 2 years from the day on which such prescription is filled in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials mentioned in section 4773.

"(B) In lieu of a written prescription for such narcotic drugs or compounds of a narcotic drug which the Secretary or his delegate in his discretion (after considering any views expressed on the subject by the Surgeon General, United States Public Health Service; the Commissioner, United States Food and Drug Administration; the respective heads of State narcotic law enforcement agencies; and the respective secretaries of national associations representing (i) narcotic drug manufacturers, (ii) physicians, and (iii) pharmacists), shall find and by regulation designate to possess relatively little or no addiction liability, the sale, dispensing, or distribution may be made by a dealer to a consumer upon oral prescription of a duly registered physician, dentist, veterinary surgeon, or other practitioner, which oral prescription is reduced promptly to writing, and the writing filed and preserved by the dealer for a period of 2 years from the date on which such prescription is filled in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials mentioned in section 4773. In issuing an oral prescription, the prescriber shall furnish the dealer with the same information as is required by law or regulation

sultation with the parliamentarian. The concurrent resolution deals with correcting the retirement bill in respect to sections and titles.

I send the concurrent resolution to the desk and ask unanimous consent to have it considered and have it stated by the clerk, with the understanding that, of course, if it is not adopted at this session of Congress, it in no way affects the bill the Senate has passed. If the concurrent resolution is adopted by the Senate and by the House, then the problems referred to in the debate with regard to the technical deficiencies of the bill will be automatically corrected.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

There being no objection, the Senate proceeded to consider the Senate Concurrent Resolution (S. Con. Res. 108), which was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 7840) entitled "An act to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act," is authorized and directed to make the following corrections:

On page 9 of the House engrossed bill, after line 3, insert the following:

"SEC. 206. (a) Section 3201, section 3202 (a), section 3211, and section 3221 of the Internal Revenue Code of 1954 are hereby amended by striking out '$300' each place it appears in each such section and inserting in lieu thereof '$350.'

"(b) Section 3231 (e) (1) of the Internal Revenue Code of 1954 is hereby amended by inserting at the end thereof the following sentence: 'Compensation for service as a delegate to a national or international convention of a railway labor organization defined as an "employer" in subsection (a) of this section shall be disregarded for purposes of determining the amount of taxes due pursuant to this chapter if the individual rendering such service has not previously rendered service, other than as such delegate, which may be included in his "years of service" for purposes of the Railroad Retirement Act'."

On page 13 of the House engrossed bill, after line 19, insert the following:

"SEC. 407. The amendments to the Internal Revenue Code of 1954 made by section 206 shall become effective as if enacted as a part of the Internal Revenue Code of 1954."

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 108) was agreed to.

PLANNED COMMUNIST EFFORT TO OVERTHROW UNITED STATES GOVERNMENT

Mr. McCARRAN. Mr. President, in the New York Daily News for August 18, Mr. John O'Donnell, in his column Capitol Stuff, discussed the fact that, as he put it, "every political figure since the 1920's who warned of a planned Communist effort to overthrow this Government became the immediate target for political and personal character assassination."

Mr. President, I hope the truth of that statement, and the implications of it, may be brought home to the people of America. I have not, myself, escaped this attack. I know what it is, and I know that in this column Mr. O'Donnell speaks the truth.

I ask unanimous consent that the column to which I have referred may be printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

WASHINGTON, August 17.—One of these days, after more evidence is at hand, some historian will be able to write a swell book on how it happened that every political figure since the 1920's who warned of a planned Communist effort to overthrow this Government became the immediate target for political and personal character assassination.

All of it started long before JOE MCCARTHY was out of short pants. The local Reds threw a lot of spit balls 33 years ago at the then Secretary of State Charles Evans Hughes, later Chief Justice of the United States, because old whiskers grimly, definitely and finally refused to grant diplomatic recognition to Russia's communistic regime.

But in those days the Reds hadn't really dug in for their underground operation. They didn't have a diplomatic representation here in the Capital with licensed spies wearing the title of military and naval attachés.

But quietly, as it later developed, the Moscow boys were doing a job on us through the spy setup operating under cover of a phony trading organization with headquarters in New York under the title of Amtorg. But the Reds didn't have the strength or the organization to take after Hughes.

The first time the Kremlin went into real action was in the late twenties, under the Hoover regime. Then, for the first time in American history an American elected to Congress was the direct target of a foreign power dedicated to the overthrow of the American Government.

This first target—the ever-increasing strength of the revolutionary spy ring in New York and its immediate territory made final success possible—was Representative Hamilton Fish, a Republican from the Hudson River district, which embraced the home of Franklin D. Roosevelt.

The second target, during the Roosevelt New Deal regime, was Representative MARTIN DIES, Democrat, of Texas. The present target, of course, is Wisconsin's MCCARTHY, a Republican.

In the three cases, the pattern of the Red attack has a sinister identity.

It was back in 1928 that the evidence of Communist activity throughout the Nation, but particularly in New York City and other great population centers, caused the then Republican House to set up a special committee to investigate activities of Communists in the United States. Fish, the veteran on the House Foreign Affairs Committee, was named chairman.

GOT HIS POLITICAL WOUNDS

It didn't take long for Fish to hit pay dirt—and for the Commies to strike back, politically and personally. Evidence of the effective propaganda work which the Reds in Amtorg had accomplished among the aliens, newly naturalized citizens, and in city-supported schools and colleges piled up. New York's then Police Commissioner Grover Whalen and the top assistant who succeeded him, Edward P. Mulrooney, came up with enemy agent documents in Russian, printed in an East Side shop which were deadly in their implication of treachery and treason. It was great work by the undercover squad, but then came the uproar.

The late Representative Samuel Dickstein, Democrat, of New York, whom the Roosevelt Congress made chairman of the House Immigration Committee, led the fight against Commie-fighting Fish. The battle moved into the Republican zone—thanks to the pressure of Roosevelt—and Fish received his political wounds. A slashing up of his congressional district with the benediction of a New Deal White House and an Albany Dewey resulted in his defeat.

Then, with Fish out of the way, came the day in 1938 when the still worried Congress set up the first Un-American Activities Committee and named the Democrat from Texas, Representative MARTIN DIES, its chairman. DIES got the works from the same boys who had given Fish his lumps only a few years before and who are now (at least some of them) trying to lead the anti-Commie parade and hoping that everybody will forget what they said about Fish and DIES back in the days when the going was really tough.

Of course, some of them are attacking MCCARTHY. The amusing characters are those who are now climbing aboard the MCCARTHY bandwagon, thinking that their DIES and Fish records are forgotten.

SUBMITTED A LIST TO WHITE HOUSE

DIES, after getting a beating from all the Commie lovers from the White House clique down to the mob levels, tossed in the political sponge in the 1946 campaign after 7 years of abuse. Now he's back in the House (but unfortunately not on the House Un-American Activities Committee—he stepped on too many political toes in his comeback campaign) and explains in his interview with the U. S. News & World Report that the reason he quit the fight in 1946 was "nervous exhaustion. They gave me the works—everything they could do, little personal things * * * MCCARTHY doesn't know what it is."

In those days, related the Texan, the White House—the President and his wife, members of the New Deal Cabinet, out-and-out brazen Communists, along with their journalistic fellow travelers, kept him under steady attack.

According to the Congressman, he found the facts in those days much as MCCARTHY has charged in recent days—that the FBI under J. Edgar Hoover had the facts on the Commies but that the administration and the executive departments refused to follow them up with prosecution.

DIES stated that as early as 1941—this was before Pearl Harbor—he submitted to the White House "a list of about 2,000 Communists on the Federal payroll, including Alger Hiss, Harry Dexter White, Harold Glasser, and others and asked that they be discharged. This was refused."

MUTUAL SECURITY APPROPRIATIONS, 1955—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BRIDGES. Mr. President, I think the conference report speaks for itself. It is a combination of the work of the conferees of the two Houses.

I send to the desk and ask unanimous consent to have printed at this point in the RECORD a summary of the figures in regard to this measure: First, in regard to the budget estimates; second, as the bill was passed by the House of Representatives; third, as the bill was passed by the Senate; and fourth and last, the final conference action in the case of each item in the act. This summary will give a clear picture to the Members of the Senate and to all others who are interested.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Mutual security appropriation bill, 1955—H. R. 10051

NEW FUNDS

Title and section	Budget estimate, 1955	Passed by House	Passed by Senate	Final conference action
Title I—Mutual defense assistance:				
Ch. 1—Military assistance:				
Sec. 103—General authorization	$1,430,300,000	$1,265,300,000	$1,070,000,000	$1,092,700,000
Sec. 104—Infrastructure	122,700,000	76,000,000	122,700,000	100,000,000
Sec. 105—Development of weapons of advanced design	27,000,000		(1)	
Total, ch. 1	1,580,000,000	1,341,300,000	1,192,700,000	1,192,700,000
Ch. 2—Southeast Asia, and the western Pacific, and direct forces support:				
Sec. 121—Southeast Asia and the western Pacific	800,000,000	712,000,000	700,000,000	700,000,000
Sec. 122—Production for forces support	75,000,000		35,000,000	35,000,000
Sec. 123—Common-use items	70,000,000	64,000,000	60,000,000	60,000,000
Total, ch. 2	945,000,000	776,000,000	795,000,000	795,000,000
Ch. 3—Defense support:				
Sec. 131 (b):				
(1) Europe (excluding Greece and Turkey)	77,500,000	45,000,000	45,000,000	45,000,000
Special assistance in joint control areas in Europe		25,000,000	25,000,000	25,000,000
(2) Near East, Africa, and south Asia (including Greece and Turkey)	81,850,000	73,000,000	73,000,000	73,000,000
(3) Far East and the Pacific	96,430,000	86,000,000	80,098,195	80,098,195
Sec. 132:				
(a) Korean program	230,000,000	200,000,000	205,000,000	205,000,000
(c) United Nations Korean Reconstruction Agency	3,452,615	3,000,000	3,000,000	3,000,000
Total, ch. 3	489,232,615	432,000,000	431,098,195	431,098,195
Total, title I	3,014,232,615	2,549,300,000	2,418,798,195	2,418,798,195
Title II—Development assistance:				
Sec. 201 (a):				
(1) Near East and Africa	130,000,000	115,000,000	115,000,000	115,000,000
(2) South Asia	85,000,000	60,500,000	60,500,000	60,500,000
(3) American Republics	9,000,000	9,000,000	9,000,000	9,000,000
(4) European Coal and Steel Community loan				
Total, title II	224,000,000	184,500,000	184,500,000	184,500,000
Title III—Technical cooperation:				
Sec. 303—Authorization	112,070,000	100,000,000	110,000,000	105,000,000
Sec. 305—Multilateral technical cooperation:				
(a) United Nations expanded program of technical assistance	17,958,000		9,957,621	9,957,621
(b) Organization of American States	1,500,000	1,500,000	1,500,000	1,500,000
Total, title III	131,528,000	101,500,000	121,457,621	116,457,621
Title IV—Other programs:				
Sec. 403—Special assistance in joint control areas (see ch. III)				
Sec. 405—Movement of migrants and refugees:				
(a) Intergovernmental Committee for European Migration (ICEM)	11,189,190	10,000,000	10,600,000	10,000,000
(c) United Nations Refugee Emergency Fund	500,000		400,000	
Sec. 406—Children's welfare	13,500,000	12,000,000	13,500,000	12,500,000
Sec. 407—Palestine refugees in the Near East (language only)				
Sec. 408—North Atlantic Treaty Organization	3,200,000	3,169,000	1,169,000	1,169,000
Sec. 409—Ocean freight charges	4,400,000	4,400,000	4,400,000	4,400,000
Sec. 410—Control Act expenses	1,300,000	1,075,000	1,300,000	1,175,000
Sec. 411—Administrative expenses (other than title I) ch. 1	34,700,000	30,000,000	34,700,000	32,500,000
Sec. 412—Strategic materials				
Total, title IV	68,789,190	60,644,000	66,069,000	61,744,000
Grand total—all titles	3,438,549,805	2,895,944,000	2,790,824,816	2,781,499,816

[1] Included in general military figures.

SUMMARY, NEW FUNDS AND UNOBLIGATED BALANCES

	House bill	Senate bill	Conference action
New funds	$2,895,944,000	$2,790,824,816	$2,781,499,816
Unobligated balances	2,312,475,979	2,581,513,728	2,462,075,979
Total	5,208,419,979	5,372,338,544	5,243,575,795

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LANGER. Mr. President, I wish to state that I am opposed to the report, and I wish to be so recorded.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10051, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 19, 1954.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the bill (H. R. 10051), entitled "An act making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes," and concur therein;

That the House recede from its disagreement to amendment No. 1 and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"Military assistance: For military assistance as authorized by title I, chapter 1, $1,192,700,000 plus unobligated balances, as

follows: For general military assistance authorized by section 103, $1,092,700,000 plus not to exceed $2,383,512,729 of unobligated balances; for infrastructure authorized by section 104 (a), $100 million, plus not to exceed $39 million of unobligated balances: *Provided,* That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe, Near East and Africa, Asia and the Pacific, American Republics, and mutual special weapons planning): *Provided further,* That not to exceed $23,250,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1, until June 30, 1955: *Provided further,* That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200 million in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further,* That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department."

That the House recede from its disagreement to the amendment No. 2, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "$700,000,000: *Provided,* That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not making satisfactory efforts against Communist penetration and/or aggression."

That the House recede from its disagreement to the amendment No. 3 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Production for forces support: For assistance authorized by section 122, $35,000,000, all of which shall be in the form of United States surplus agricultural commodities."

That the House recede from its disagreement to the amendment No. 9, and concur therein with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", and in addition, not to exceed $16,000,000 of the unobligated balances of funds heretofore made available under this head."

That the House recede from its disagreement to amendment No. 12 and concur therein with an amendment, as follows: After the sum named in said amendment insert the following: ": *Provided,* That no commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the United States until the Congress appropriates for said purpose."

That the House recede from its disagreement to amendment No. 22 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Funds appropriated under each paragraph of this act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during fiscal year 1955, may be consolidated in one account for each paragraph: *Provided,* That any apparent recorded obligation outstanding on June 30, 1954, against any such appropriations which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Director of the Foreign Operations Administration and the Director of the Budget not later than February 1, 1955."

That the House recede from its disagreement to amendment No. 25 and concur therein with an amendment, as follows: In lieu of the matter proposed to be stricken by the said amendment insert: "and hereafter, foreign currencies generated under the provisions of this act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated (except as specifically provided in sec. 109 of this act)."

That the House recede from its disagreement to amendment No. 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ": *Provided,* That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out 'Committee on Rules and Administration of the Senate' and insert 'Committee on Appropriations of the Senate.' "

That the House recede from its disagreement to amendment No. 31, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "SEC. 109. $55 million of the unobligated balances continued available under this act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided,* That 80 percent of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States: *Provided, however,* That this provision shall not be construed as a precedent or as an abrogation of any agreement heretofore entered into."

That the House recede from its disagreement to amendment No. 32 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 110. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations during the current fiscal year shall be reserved and shall remain available until June 30, 1957, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided,* That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committee on Appropriations of the Senate and the House of Representatives, and not less often than once each quarter beginning with the period ending December 31, 1954, said Secretary shall make a detailed report to the Committee on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further,* That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further,* That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further,* That funds appropriated in this act for military assistance (including specified amounts of unobligated balances), and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for such purpose, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year, and no expenditure shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further,* That any apparent recorded obligation exceeding $5 million, outstanding on June 30, 1954, which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Secretary of Defense and the Director of the Budget not later than February 1, 1955: *Provided further,* That nothing in this act shall be construed as making any appropriation or fund available for obligation after June 30, 1955, except as may be necessary for reimbursements authorized herein or as authorized by the Mutual Security Act of 1954."

That the House recede from its disagreement to amendment No. 33 and concur therein with an amendment, as follows: Change the section number to 111.

Mr. BRIDGES. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1, 2, 3, 9, 12, 22, 25, 26, 31, 32, and 33.

Mr. MCCARRAN. Mr. President, I have a question to ask regarding the provisions of section 104 of the act, which appears to indicate that in the future, foreign currencies generated as a result of the shipment of surplus agricultural commodities under this program must be used for the purpose for which the dollars were appropriated in the first instance. Does this provision in any way affect foreign currencies received as a result of obligations consummated prior to the date of passage of this act?

Mr. DIRKSEN. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. DIRKSEN. Because I had something to do with that matter, and because we shall concur in that language, I wish to state that the answer to the question of my distinguished friend, the Senator from Nevada, is definitely "No"—that there will no effect whatsoever on either the programs or the obligations which developed as a result of

the use of foreign currencies prior to the enactment of this measure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES].

The motion was agreed to.

The PRESIDING OFFICER. The Chair lays before the Senate, House Concurrent Resolution 271, which will be read.

The concurrent resolution (H. Con. Res. 271) was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk be, and he is hereby, authorized and directed, in the enrollment of H. R. 10051, the mutual security appropriation bill, 1955, to make the following correction:

In subparagraph (2) of section 107, strike out the word "lease" and insert in lieu thereof the word "release."

Mr. BRIDGES. Mr. President, the concurrent resolution simply provides for making of a technical correction.

I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 271) was considered and agreed to.

RECORD OF APPROPRIATION BILLS IN 83D CONGRESS, SECOND SESSION

Mr. BRIDGES. Mr. President, in view of the fact that the Senate has now completed final action on the last appropriation bill, let me point out the record of the handling of appropriation bills at this session.

To begin with, let me say that all the regular appropriation bills were passed by the Congress prior to the beginning of the new fiscal year.

Second, with the adoption, a minute ago, of the conference report on the Mutual Security appropriations, we ring down the curtain on all the appropriation bills.

I think the Senate would like to have a brief summary in that connection, because it is a part of the record of the Senate, and because I think all Members of the Senate deserve credit for the record which has been made.

The total budget estimates submitted to the Senate of the United States amounted to $50,238,390,985.

The total appropriations which we made came to $47,642,131,205.

This is a reduction of $2,596,259,780 from the budget estimates, and it includes every bill considered by the Senate Appropriations Committee and the Senate of the United States during this session. This is a rather remarkable record, when it is considered that the budget estimates submitted by the administration were considerably lower than those submitted in previous years.

This becomes immediately apparent when we compare the appropriations made this year with those made last year and those made the year before. During the 82d Congress, 2d session, the appropriations totaled $75,400,000,000; during the 83d Congress, 1st session, the appropriations totaled $54,500,000,000; and the appropriations during the present session amounted to $47,600,000,000. Thus, Mr. President, we find that this year we have appropriated $6,900,000,000 less than last year, and $27,800,000,000 less than 2 years ago.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a complete and detailed table giving the record on every bill. I make this request, so that the Members of this body, after the conclusion of the Congress, may have the record of the Senate to refer to.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public Law 778 - 83d Congress
Chapter 1262 - 2d Session
H. R. 10051

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1955, namely: Mutual Security Appropriation Act, 1955.
68 Stat. 1219.
68 Stat. 1220.

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, Public Law , approved 1954 (H. R. 9678), as follows: Ante, p. 832.

Military assistance: For military assistance as authorized by title I, chapter 1, $1,192,700,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,092,700,000 plus not to exceed $2,383,512,729 of unobligated balances; for infrastructure authorized by section 104 (a), $100,000,000, plus not to exceed $39,000,000 of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed $23,250,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955: *Provided further*, That the military supplies and equipment (or the equivalent value thereof as the Secretary of Defense shall determine but not to exceed $200,000,000 in inventory value) which have been procured and processed for delivery to foreign areas and which subsequently are returned to the custody of the United States because of a change in the international situation, shall remain available for military assistance authorized by law, and such amounts shall be in addition to the amounts herein otherwise provided for: *Provided further*, That this limitation on military supplies and equipment shall not apply to capital ships for which title has passed but which have been reclaimed by the Navy Department; Ante, p. 833. Ante, p. 834. Capital ships.

Southeast Asia and the Western Pacific: For assistance authorized by section 121, $700,000,000: *Provided*, That none of the funds appropriated in this paragraph may be used for assistance to any nation which in the opinion of the President is not making satisfactory efforts against Communist penetration and/or aggression; Ante, p. 837.

Production for forces support: For assistance authorized by section 122, $35,000,000, all of which shall be in the form of United States surplus agricultural commmodities; Ante, p. 837.

Common-use items: For assistance authorized by section 123, $60,000,000; Ante, p. 838.

Defense support, Europe: For assistance authorized by section 131 (b) (1), $45,000,000; Ante, p. 838.

Special assistance in joint control areas in Europe, as authorized by section 403, $25,000,000; Ante, p. 843.

Defense support, Near East, Africa and South Asia: For assistance authorized by section 131 (b) (2), $73,000,000;

Defense support, Far East and the Pacific: For assistance authorized by section 131 (b) (3), $80,098,195;

Korean program: For assistance authorized by section 132 (except subsection (c)), $205,000,000 and in addition, unobligated balances of the appropriation under the head "Civilian Relief in Korea" in the Department of Defense Appropriation Act, 1954, are continued avail- Ante, p. 838. 67 Stat. 336.

able for the purposes of section 132 (a) through June 30, 1955, and are hereby consolidated with this appropriation;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 132 (c), $3,000,000, and in addition, not to exceed $16,000,000 of the unobligated balances of funds heretofore made available under this head;

Development assistance, Near East and Africa: For assistance authorized by section 201 (a) (1), $115,000,000; Ante, p. 840.

Development assistance, South Asia: For assistance authorized by section 201 (a) (2), $60,500,000; 68 Stat. 1220.

Development assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 201 (a) (3), $9,000,000; 68 Stat. 1221.

Technical cooperation, general authorization: For assistance authorized by section 304, $105,000,000; Ante, p. 842.

Contributions to the United Nations expanded program of technical assistance: For contributions to cover the amount pledged by the United States for conducting the program during the calendar year 1954, $9,957,621: *Provided*, That no commitment for the calendar year 1955 or thereafter shall be pledged on behalf of the United States until the Congress appropriates for said purpose;

Contributions for programs of the Organization of American States: For contributions authorized by section 306 (b), $1,500,000; Ante, p. 842.

Contributions to the Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), $10,000,000, and in addition, not to exceed $500,000 of the unobligated balance heretofore appropriated for "Movement of Migrants": *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against communist infiltration in the Western Hemisphere; Ante, p. 844.

Contributions to the United Nations children's fund: For contributions authorized by section 406, $12,500,000 which shall constitute the total United States contribution through June 30, 1955;

Contributions to the United Nations Relief and Works Agency: Not to exceed $23,063,250 of the unobligated balances of funds appropriated under the head "Palestine Refugee Program" in the Mutual Security Appropriation Act, 1954, are continued available through June 30, 1955, for the purposes authorized by section 407; 67 Stat. 479.

Contributions to the North Atlantic Treaty Organization: For payments authorized by section 408, $1,169,000; Ante, p. 845.

Ocean freight charges: For payments authorized by section 409, $4,400,000;

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,175,000; 65 Stat. 644. 22 USC 1611.

Administrative expenses: For expenses authorized by section 411, $32,500,000.

Funds appropriated under each paragraph of this Act (other than appropriations under the head of military assistance), including specified amounts of unobligated balances, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available during fiscal year 1955, may be consolidated in one account for each paragraph: *Provided*, That any apparent recorded obligation outstanding on June 30, 1954, against any such appropriations which is not eligible for certification under Ante, p. 830.

the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Director of the Foreign Operations Administration and the Director of the Budget not later than Februray 1, 1955.

GENERAL PROVISIONS

68 Stat. 1221.
68 Stat. 1222.

SEC. 102. Appropriations in this Act for the purposes of chapters 2 and 3 of title I and titles II, III, and IV of the Mutual Security Act of 1954, and allocations to the Foreign Operations Administration, from any other appropriations shall be available for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provision of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of the Mutual Security Act of 1954; employment of aliens, by contract, for services abroad; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including the exchange allowance, of each such replacement shall not exceed $3,000 in the case of an automobile for the chief of any special mission or staff abroad established under section 526, and $1,400 in the case of all other such passenger vehicles except station wagons; transportation of privately owned automobiles; entertainment within the United States (not to exceed $15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed $50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of the Foreign Operations Administration, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1954 or other Act administered by the Foreign Operations Administration; purchase of uniforms; employment of chauffeurs for passenger carrying vehicles abroad notwithstanding the provisions of any other law; medical examinations of dependents of overseas personnel or candidates for overseas positions on the same basis as for employees or candidates; payment of per diem in lieu of subsistence to persons participating in any program of furnishing technical information and assistance, while in countries other than their own and other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding section 107 of the Department of State Appropriation Act, 1955; expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158), not otherwise provided for; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as other-

Ante, pp. 837, 838, 840, 841, 843.
35 Stat. 1027.
Ante, p. 859.
Ante, p. 857.
47 Stat. 412.
Ante, p. 832.
Ante, p. 418.
60 Stat. 999.

62 Stat. 47.

wise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided*,

68 Stat. 1222.
68 Stat. 1223.

That no part of the administrative expenses shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area:

Salary prohibition.

Provided further, That none of the funds provided herein shall be used to pay any employee a basic salary of $12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of $12,000 or more per annum on June 30, 1953, and except that this prohibition shall not apply to employees receiving salaries in excess of $12,000 as the result of general pay raise legislation enacted during the fiscal year 1955, nor to not to exceed six employees assigned to the administration or implementation of the program authorized by section 132 of the Mutual Security Act of 1954: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of an employee of the Foreign Operations Administration who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director of the Foreign Operations Administration may prescribe: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

Ante, p. 838.
Travel expenses.

Engineering fees; report to Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of $25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

66 Stat. 662.
31 USC 724.

SEC. 104. Pursuant to section 1415 of the Supplemental Appropriation Act, 1953, and in addition to other amounts made available pursuant to said section, not to exceed the equivalent of $25,000,000 of foreign currencies or credits owed to or owned by the United States shall remain available until expended, without reimbursement to the Treasury, for liquidation of obligations incurred against such currencies or credits prior to July 1, 1953, pursuant to authority contained in the Mutual Security Act of 1951, as amended, and Acts for which funds were authorized by that Act and hereafter, foreign currencies generated under the provisions of this Act shall be utilized only for the purposes for which the funds providing the commodities which generated the currency were appropriated (except as specifically provided in section 109 of this Act): *Provided*, That the proviso in section 502 (b) of the Mutual Security Act of 1954 is amended as follows: (1) Strike out "Committee on Rules and Admin-

65 Stat. 373.
22 USC 1651 note.

Ante, p. 850.

istration of the Senate" and insert "Committee on Appropriations of the Senate".

Foreign debts, restriction.

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

68 Stat. 1223, 1224.

European Payments Union.

Transportation on U. S. flag vessels.

SEC. 106. The Director shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

Procurement outside U. S.

SEC. 107. Funds made available pursuant to this Act may not be used for the procurement of equipment or materials outside the United States unless the President or an official of Cabinet rank designated by him determines that such procurement will not result in one or more of the following conditions:

(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

(3) Unjustifiable cost in comparison with procurement in the United States; and

(4) Delays in delivery incompatible with United States defense objectives.

Restriction on obligations.

SEC. 108. Not more than 25 per centum of any funds made available by this Act shall be obligated during the last two months of the fiscal year.

Surplus agricultural commodities.

SEC. 109. $55,000,000 of the unobligated balances continued available under this Act shall be available only for the procurement and sale, in accordance with provisions of section 402 of the Mutual Security Act of 1954, of surplus agricultural commodities as assistance to Spain during the current fiscal year: *Provided*, That 80 per centum of the foreign currencies generated hereunder shall be used to strengthen and improve the civilian economy of Spain, the balance to be available for use of the United States: *Provided, however*, That this provision shall not be construed as a precedent or as an abrogation of any agreement heretofore entered into.

Ante, p. 843.

Funds allocated to Defense Department.

Accounting, etc.

SEC. 110. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely on the basis of the value of

materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance). Within the limits of amounts available from funds so allocated, the Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursement from such allocations, and no funds so allocated and available shall be withdrawn by administrative action until the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. Unobligated amounts of such allocations equal to the value of orders placed with the military departments against such allocations during the current fiscal year shall be reserved and shall remain available until June 30, 1957, for making such reimbursements (except in case of funds obligated directly against such allocations) only upon the basis of materials delivered and services rendered: *Provided*, That reports of items to be delivered against funds reserved as provided herein shall be furnished quarterly by the Secretary of Defense to the Committees on Appropriations of the Senate and the House of Representatives and, not less often than once each quarter beginning with the period ending December 31, 1954, said Secretary shall make a detailed report to the Committees on Appropriations of the Senate and the House of Representatives, on a delivery or service-rendered basis, on all military assistance funds allocated and available to the Department of Defense as of the end of the preceding quarter: *Provided further*, That no reimbursements for materials or services shall be made after June 30, 1955, until the value of materials delivered and services performed shall equal the amount of expenditures made from all appropriations herein and heretofore made for military assistance as of said date: *Provided further*, That in the event the President shall determine that supplies and equipment ordered against funds so allocated are required for the defense of the United States, the amount allocated for supplies and materials required for such purpose shall be returned to the appropriation from which allocated: *Provided further*, That funds appropriated in this Act for military assistance (including specified amounts of unobligated balances), and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for such purposes, shall be maintained in one account which shall be used for all transactions involving military assistance during the current fiscal year, and no expenditures shall be made from such account except as may be within the limits of the sum of the amounts mentioned in this proviso: *Provided further*, That any apparent recorded obligation exceeding $5,000,000, outstanding on June 30, 1954, which is not eligible for certification under the terms of section 1311 of the Supplemental Appropriation Act, 1955, may be corrected and certified under section 1311 as an obligation if approved by the Secretary of Defense and the Director of the Budget not later than February 1, 1955: *Provided further*, That nothing in this Act shall be construed as making any appropriation or fund available for obligation after June 30, 1955, except as may be necessary for reimbursements authorized herein or as authorized by the Mutual Security Act of 1954.

68 Stat. 1224, 68 Stat. 1225.

Reports to Congress.

Restriction on reimbursements.

Ante, p. 830.

Ante, p. 832.

Availability of funds, etc.

SEC. 111. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.

Ante, p. 448.

SEC. 112. Not to exceed $30,000 of the funds appropriated in this Act shall be used to carry out the purposes of section 416 of the Mutual Security Act of 1954. Ante, p. 849.

SEC. 113. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law. Strikes or overthrow of Government. 68 Stat. 1225. 68 Stat. 1226. Affidavit. Penalty.

This Act may be cited as the "Mutual Security Appropriation Act, 1955".

Approved September 3, 1954.

GPO 42139